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New Legislation Aims to Assist HDHP Participants who have Chronic Conditions

Last week the Chronic Disease Management Act of 2018 (the "Act") was introduced in the House of Representatives. In its current form, the Act intends to assist health plan participants with chronic conditions by waiving the minimum deductible requirements under high deductible health plans ("HDHP). Currently, the minimum deductible requirements for single and family HDHP coverage apply to all medical care, other than preventive care. The Internal Revenue Service has issued various rulings regarding what types of medical care and prescription drugs that it considers to be preventive care. However, these rules can be restrictive and unduly exclude medical care and prescription drugs that are needed to manage chronic conditions.

The Act intends to amend the HDHP requirements by allowing an additional safe harbor for coverage of chronic conditions before the regular HDHP deductible is satisfied. The safe harbor would apply to both medical care and prescription drugs that are related to the chronic condition. However, the Act does require the chronic conditions to satisfy certain parameters, such as they must have a high risk of significant adverse health outcomes, among other requirements. If enacted, the Internal Revenue Service would be charged with determining which types of care and prescription drugs satisfy the chronic condition tests, and which therefore can be covered prior to satisfying the HDHP deductible.