

CARES ACT

Coronavirus Aid, Relief and Economic Security Act

CHANGES TO FSA AND HSA USAGE UNDER CARES ACT

Late on March 27, 2020 the Coronavirus Aid, Relief and Economic Security Act (CARES Act) became law. The legislation provides assistance for individuals and businesses negatively impacted by the COVID-19 pandemic. Part of the CARES Act covers reimbursement of over-the-counter medicines under medical flexible spending accounts (FSAs), health savings accounts (HSAs), and health reimbursement arrangements (HRAs).



HSA-qualified plans can now cover telemedicine prior to meeting deductible

Effective March 27, 2020, high-deductible health plans (HDHPs) are permitted to cover telemedicine and other remote care services before an HSA participant meets their deductible—or at reduced or no cost-sharing. Previously HSA-qualified health plans could only cover preventive medical expenses prior to participants meeting their deductible. Now HDHPs can cover telemedicine services in the same way they cover preventive care services without interrupting a participant's HSA eligibility.

This provision is temporary and expires December 31, 2021.

Rx not required to get reimbursed for over-the counter medicine

The CARES Act repeals the prescription requirement for over-the-counter drug reimbursement. Individuals enrolled in a medical FSA, HSA or HRA may now pay for over-the-counter medicines without a prescription using their tax-free dollars for things like aches, pains and upset stomachs. *



Menstrual care products now qualify for reimbursement

Further, menstrual-care products such as tampons, pads, liners, cups, and sponges are now considered a qualified medical expense and are eligible for payment or reimbursement through an FSA, HRA, or HSA. Prior to the CARES Act, menstrual care products were not considered qualified medical expenses under the rules of tax-advantaged accounts. Now participants can use tax-free HSA, HRA and FSA dollars to buy these important necessities.*

*These changes are permanent and apply to expenses incurred on or after January 1, 2020. However, merchants will need time to update their systems to accommodate these additional eligible items; the current estimated time for these updates to be complete is 4 to 6 weeks. Until systems are updated, you will not be able to purchase these items using your Benny Card or HSA debit card. However, you can still purchase these items now and file a paper or manual claim to Kapnick for reimbursement.

The FSA Reimbursement Claim form can be found on our Kapnick.com or through your FSA portal. The form is also [available here](#) for your convenience. To read/learn more about the CARES Act [click here](#) to read the act or [here](#) for FAQ on over-the-counter medicines.