



CARES Act of 2020

The \$2 trillion appropriations bill, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law by President Trump on Friday, March 27, 2020, brings emergency assistance and additional health care provisions to Americans affected by the 2020 coronavirus pandemic. There are two provisions of particular interest to participants in health savings accounts (HSAs), healthcare flexible spending accounts (FSAs), and health reimbursement arrangements (HRAs).

- **HSA-Qualified Health Plans, also known as High-Deductible Health Plans (HDHPs)**, can cover telehealth and other remote care service expenses below the HDHP statutory deductible limit or at no or low-cost sharing without effecting an HSA accountholder's ability to continue to contribute to their HSA. The provision is effective immediately and will be operative for plan years beginning on or before December 31, 2021. This is a welcome change during the pandemic because it reduces the risk of contagion while providing more access to care in a cost-effective manner.
- **Over-the-counter (OTC) drugs and medicines.** The CARES Act repeals the Affordable Care Act requirement that OTC drugs and medicines must be prescribed in order to be reimbursed under HSAs, FSAs or HRAs. This means that these plans can now pay for, or reimburse, OTC drugs and medicines without a prescription from a doctor. This provision is effective for expenses incurred and/or paid after December 31, 2019. This provision does not have an expiration date.
- **Menstrual care products.** The CARES Act also deems expenses for menstrual care (feminine hygiene) products qualified medical expenses, also which can be paid by an HSA, FSA or HRA. This provision is effective for expenses incurred and/or paid after December 31, 2019. This provision also does not have an expiration date.

Next Steps:

- We are developing a process to update health care plan eligible expense lists as appropriate.
- We will be providing a process to provide a plan amendment template to address these changes.
- We will continue to keep you updated on all news related to consumer-directed benefits as information becomes available.

The plan's list of eligible expenses will be automatically updated to accept the items noted. As it becomes available, we will continue to keep you updated on all news related to consumer-directed benefits.