

Over-The-Counter Expenses Now Covered Under COVID-19 CARES ACT

A Legislative Update for our Valued Participants:

As many of you know the \$2-trillion stimulus package was signed into law on Friday, March 27, 2020.

The COVID -19 Care Act Bill which is part of the bill includes two key provisions that will undoubtedly help the millions of Americans with FSAs, HSAs and HRAs (subject to the HRA plan design) during a time when these plans may be needed most.

This is effective immediately and retroactive to January 1, 2020.

The changes include:

- **Over the Counter (OTC) Rx Repeal:** Prescriptions or doctor's notes will no longer be required for over-the-counter (OTC) drugs, including items like Tylenol, Claritin, Antacid, etc. when purchased with a FSA, HSA or HRA (subject to the HRA plan design).

As you know, FSA, HSA and HRA (subject to the HRA plan design) OTC drug purchases have required a prescription or doctor's note since 2011 per the Patient Protection and Affordable Care Act. This relief will mean that Americans with FSAs, HSAs and HRAs can now buy the OTC medicines they need to stay healthy.

- **Menstrual Care Products:** The bill expands the definition of qualified OTC items to include menstrual care products as eligible under a FSA, HSA or HRA (subject to the HRA plan design).

This implementation requires SIGIS the (Special Action Group for IIAS) and participating merchants to update the industry wide list of new OTC eligible products and their Point of Sale systems (POS). We anticipate that SIGIS and merchant implementation of the new eligible item list will occur gradually within the next 4-6 weeks.

It is important to emphasize that each merchant will adhere to their own timeline for completion of this process based on their own internal considerations, and card processors have no ability to influence this.

Participants will be able to submit reimbursements for OTC eligible items using the Consumer Portal, Mobile App, Fax or Mail.

Please do not hesitate to reach out to ABS with any questions.