

## 2020 CARE ACT GUIDE

Thank you for choosing WORKTERRA to be your FSA/HSA/HRA/DCA provider. We want to ensure you are as informed as possible with the new changes that have taken place this 2020 Plan Year! The CARES Act (S.3548 Sec. 4402) was approved on March 19, 2020 to provide emergency assistance and health care response for individuals, families, and businesses affected by the 2020 COVID-19 pandemic. This reverses laws that were put into place with the Affordable Care Act and these changes are retroactive back to January 1, 2020.

### The CARES ACT FAQs

#### 1. **Over-The-Counter (OTC) products as eligible expenses?**

The CARES act has reinstated over-the-counter products as eligible expenses for Health Savings Account (HSA), Flexible Spending Account (FSA), and Health Reimbursement Account (HRA) funds and do not require a prescription. This is a permanent change.

#### 2. **Menstrual Care eligible expenses?**

Menstrual care products are now eligible expenses. HSA, FSA, and HRA funds can be used to purchase items such as tampons, pads, liners, etc. This is a permanent change.

#### 3. **HDHP Plans with HSA Telehealth Services**

This is a temporary change, this allows High-Deductible Health Plans (HDHP) with an HSA to cover telehealth and remote care expenses. This continues through 2020 and 2021 for calendar year expenses, even if the participant has NOT reached their deductible.

These changes are in affect now and claims can be submitted via the consumer portal at this time. As it does take time for all the products to be identified and updated in every merchant's system, this will undoubtedly result in inconsistencies in shopping experiences for the consumer as merchant's systems won't allow debit card usage for these items right away but this will improve quickly (anticipating all will be updated by mid-June). Despite that, consumers will be able to proceed through manual claims processing by sending in receipts and submit paper/online claim submissions for reimbursement.

## Eligible Over-the-Counter Expenses

The following represents a partial listing of eligible "over the counter" expenses for the Medical Care Reimbursement Account for Flexible Benefit Plans. These expenses no longer require a letter of Medical Necessity from a doctor. This list is subject to change as further clarification is made. If you are unable to determine the eligibility of a particular expense, feel free to contact WORKTERRA Customer Service for assistance.

Acne medication	Hearing aid batteries	Reading glasses
Allergy medications	Heartburn/indigestion meds	Rubbing alcohol
Antacids	Hemorrhoid	Sinus medications
Antibiotic creams	creams/suppositories	Sleeping aids for insomnia
Anti-diarrhea medications	Incontinence supplies	Smoking cessation treatment
Anti-fungal medications	Laxatives	Spermicidal foam- contraceptives
Anti-itch medications	Liquid adhesive	Take-home screening kits (for detecting
Anti-gas medications	Medicated cleanser/soap	colon cancer /hepatitis C)
Bandages (Band-Aids)	Menstrual cramp/pain products	Thermometers
Blood pressure monitors	Motion sickness pills	Throat lozenges
Bug bite medication	Mouth pain	Vaginal product / yeast infection
Calamine lotion	Nasal decongestant	Wart removal treatments
Carpal tunnel (wrist) support	Nausea/ vomiting remedies	Menstrual Care Products
Cold medicine	Nicotine gum	Herbal medications
Cold/hot packs for injuries	Nicotine patches	Hormone therapy / menopause treatment
Condoms (contraceptives)	Night guards for teeth grinding	Allergy medicine
Contact lens solutions	Ointments for burns/sunburn	Nasal Sprays for snoring
Contraceptive pills/suppository	Pain relievers / fever reducers	Medicated Shampoos / Soaps
Cough/cold/ flu/fever reducers	Pain relievers - muscle pain	Orthopedic Shoes and inserts
Crutches	Pedialyte for child's dehydration	Pills for Lactose Intolerance
Diabetic supplies	Pinworm treatment	Prenatal vitamins – not for general well-being
Diaper rash ointments	Poison treatment	
Drugs, previously prescription	Pregnancy test kits	
Ear care / swimmer's ear	Rashes: diaper rash/ fever blisters	
Eye drops	Rashes: poison oak/ivy/sumac	
First aid creams/ointments		
Gauze		
Head lice treatment		

## Excluded Expenses

The following is a brief listing of items that are excluded from eligible expenses. Claims will be denied for the following expenses:

- Chapstick / Lip balm
- Cosmetic products of any kind
- Cleansers or soap that are considered toiletries (non-medicated)
- Dental floss
- Deodorants
- Dietary supplements - used to improve or maintain general health
- Eye and facial makeup preparations
- Face cream
- Fiber supplements - used for general health
- Fingernail polish
- Hair color / hair products
- Herbal supplements - used to improve or maintain general health
- Lipstick
- Mouthwash
- Shampoo
- Skin moisturizers/lotions
- Suntan lotion
- Sunscreen - used for general health purposes
- Teeth whitening products
- Toiletries of any kind
- Toothpaste
- Toothbrushes
- Vitamins - used to improve or maintain general health

## Notes for determining allowable expenses

Prerequisites for reimbursement of an OTC drug:

- The sponsoring plan allows for the expense
- The OTC drug is generally regarded as medicine or drugs
- The item is not a toiletry item or for cosmetic purposes
- The OTC drug is legally procured
- Expenses must be incurred during the plan year (or during the time the participant was eligible to participate).
- Expenses must be claimed using appropriate documentation. The receipt for OTC expenses must include, at a minimum, a description of the product, the date of the expense, the name of the service provider (drugstore, Dr., etc) and the amount of the expense. Submit the receipt to WORKTERRA with your claim (Keep a copy for your records.)

- It is considered reasonable by the IRS, to reimburse participants who have purchased a reasonable quantity of OTC drugs to have on hand for use during the plan year, if the OTC drugs otherwise qualify as medical care. This includes year-end purchases in small quantities. Purchasing several thousand tablets of an OTC drug at year-end would be suspect. It is assumed therefore, that a few (small quantity) bottles of aspirin (for example) purchased at one time, would be eligible.

### **Menstrual Care Products that are Eligible Expenses Effective January 1, 2020**

The following Menstrual Care products are eligible expenses and can be submitted for approval and is a permanent change:

- Tampons
- Pads
- Liners
- Menstrual cups
- Sponges
- Any similar products

Please feel free to contact WORKTERRA's Customer Service at 888-327-2770 and a representative will assist you. You may also email us at [custserv@WORKTERRA.com](mailto:custserv@WORKTERRA.com).

Thank you,

WORKTERRA Flex Department