



DIVERSIFIED
BENEFIT SERVICES, INC.

Excellence in Benefit Management Solutions

Important FSA/HRA/HSA Update

March 30, 2020

DBS has great news to share regarding Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs) and Health Savings Accounts (HSAs)!

The Cares Act (COVID-3 Stimulus Bill) has now been signed into law and it permanently reinstates coverage of OTC (Over the Counter) drugs and medicines as eligible for reimbursement from FSAs, HRAs and HSAs, without need for a prescription. This includes commonly used items such as pain relievers, aspirin, allergy medicines and cough suppressants. It also further expands the definition of qualified OTC items to include menstrual care products. This is welcome news for plan participants as it greatly expands the list of items that qualify for tax-free reimbursement through FSAs, HRAs and HSAs.

This change is retroactive to 1/1/20 and participants can begin submitting claims immediately, along with an itemized receipt showing the date of purchase as well as the description of the OTC product purchased. Claims can be submitted using our phone app, online or via mail or fax.

Participants with health care debit cards will not be able to utilize their cards for the purchase of OTC items until merchants have had the opportunity to update their point of sale systems. It is anticipated this will occur for most merchants within the next couple of months, but there is no defined timeline. In the meantime participants can purchase items and submit their receipts for reimbursement.

Please note, the expansion of eligible expenses is not an event that allows participants to increase their election amount.

Please contact DBS if you have questions.

Thank you for your business