

Regulatory Alert and Legislative Updates

HSA, FSA and HRA provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Signed into law March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act contains important provisions on the use of health savings accounts (HSAs), flexible spending accounts (FSAs) and health reimbursement accounts (HRAs).

Telehealth services

High-deductible health plans (HDHPs) with an HSA may provide pre-deductible coverage for telehealth and other remote care services. This provision will last until December 31, 2021 (plan year must begin prior to this date).

Certain over-the-counter (OTC) medical products as qualified medical expenses

The CARES Act restores the ability to use HSAs, FSAs and HRAs to purchase certain OTC medical products, like Tylenol, Claritin and Pepto-Bismol, etc., without a doctor's prescription.

For the first time, menstrual care products are considered qualified medical expenses for payment or reimbursement with an HSA, FSA or HRA. These changes apply to amounts paid or expenses incurred on or after January 1, 2020.

Both provisions for OTC and menstrual products are ongoing without an expiration date. We are awaiting updates to IRS publication 502 for the comprehensive list of what will be covered under these provisions.

Please visit optumbank.com for the latest developments and up-to-date information on regulation changes related to health care spending and savings accounts.

Optum Bank will continue to monitor developments to ensure you are armed with critical information that impacts your employees so you know what steps to take.

This communication is subject to your specific plan documents and personal circumstances, and is not intended as legal or tax advice.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to

eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. Flexible spending accounts (FSAs) and health reimbursement accounts (HRAs) are administered by OptumHealth Financial Services and are subject to eligibility and restrictions. Federal and state laws and regulations are subject to change.

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