

Coverage for Over the Counter Items (OTCs) -- Healthcare FSAs, HRAs and HSAs

Effective January 1, 2011, Health FSAs, HRAs and HSAs were allowed to reimburse the cost of OTC medicines or drugs only if they were purchased with a prescription. *NOTE: this rule did not apply to reimbursements for insulin, which was always a covered item under these plans -- whether purchased with or without a prescription.*

On Friday, March 27th, the federal **Coronavirus Aid, Relief, and Economic Security (CARES) Act** was signed into law. Under the Act, OTCs purchased without a prescription were reinstated as a covered expense under these “account-based plans.” Also, menstrual care products will be reimbursable for the first time, but exactly which products are eligible is unclear at this time.

While the new rules are retroactive to January 1, 2020, there’s work to be done to facilitate reimbursements, per WEX (the **Benny Card** company):

- **Programming:** It will take 4 - 6 weeks to get all of the changes programmed into the merchants’ POS software; some national Rx chains might be ready sooner while smaller merchants might take longer than that.
- **Short-Term Impact:** The programming timeline may cause some inconsistencies in your member’s shopping experiences. In a few weeks, OTCs may be paid for with the **Benny Card** at one merchant but not at another. In the latter example, the member will have to submit a paper claim and original receipt. This is expected to be temporary and short-term. Once the programming is completed at all merchants, members will be able to use their **Benny Card** as usual.
- **Other Than Menstrual Care Products:** Members who purchased a non-prescribed OTC from 1/1/20 to today will have to submit a paper claim to us, including an original receipt, to get reimbursed. The same will be true for non-prescribed OTCs that are purchased from today forward if the merchant’s POS system was not yet programmed to accept the **Benny Card** when the purchase was made.
- **Menstrual Care Products:** We will not be able to process paper claims and the applicable reimbursement until the approved “eligible products list” is released and programmed. Therefore, members should retain the original receipts for all menstrual care products purchased any time on/after 1/1/20 until the programming is completed, to avoid any misunderstandings about which products are/are not reimbursable.

NOTES:

- **We will keep you posted on the progress of the overall programming and the “eligible products list” for menstrual care products.**
- **To keep the Plan in compliance with IRS regulations, additional documentation will be required on certain purchases to substantiate eligibility for reimbursement – both Benny Card and paper submissions.**
- **You should always retain the original receipts for all purchases and must include the receipt(s) when submitting a paper claim. If a submitted receipt does not have a description of the item printed directly on the receipt at point-of-sale, you will be asked to submit additional documentation for substantiation.**