

CARES Act: HDHPs and Telemedicine; OTC Medications Become Eligible Healthcare Expenses

President Trump has signed the CARES Act (H.R. 748), approved by Congress. This \$2 trillion bill is designed to provide economic relief for American citizens and businesses due to the COVID-19 healthcare emergency that has greatly impacted the U.S. economy. The bill provides direct stimulus payments to individuals and extended unemployment benefits. In addition, the legislation impacts how workers can use their healthcare benefits accounts.

Telemedicine Coverage Under an HDHP

Effective immediately, payments for “telehealth and other remote care services” are approved under a high deductible health plan (HDHP). Typically, an HDHP is only permitted to pay benefits after the deductible has been met, with the exception of preventive services, in order for HSA owners to continue making contributions to their HSAs. This authorization does not expire until December 31, 2021.

OTC Medications and Menstrual Care Products

The CARES Act has also expanded the qualified healthcare expenses that can be purchased with a Flexible Spending Account (FSA) and Health Savings Account (HSA). **Over-the-counter (OTC) medications, including non-prescription pain relievers and cold/flu medications, may once again be purchased with an FSA or HSA without a prescription.** Although once classified as eligible healthcare expenses, most OTCs were disallowed beginning in 2011 under the Affordable Care Act (ACA). In addition, expenses for menstrual care products have been added to the list of expenses eligible for FSA or HSA purchase. There is no expiration date on these provisions.