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Over-the-Counter Items & Menstrual Products Now Eligible for Reimbursement

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4 minute read

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To help American individuals and businesses impacted by the coronavirus pandemic, a \$2 trillion economic relief package (CARES Act) was signed into effect on March 27. Included among the changes is legislation related to Health Savings Accounts (HSAs), Flexible Spending Accounts (FSAs), and Health Reimbursement Arrangements (HRAs).

Here are several frequently asked questions to help you understand and prepare for these changes.

What is changing?

The CARES Act allows HSA, FSA, and HRA participants to be reimbursed for the purchase of over-the-counter drugs and medicines without a prescription from a physician. It also includes a reimbursement provision for menstrual products.

When is the change effective?

This change can take effect upon amending the employer's plan document. The change can be applied to amounts paid or incurred starting January 1, 2020, where permitted by the employer's plan. At this time, there is no end date for the new legislation.

American Fidelity will begin implementing changes on April 15 for executed amended plan documents.

Can Benefits Debit Cards be used for over-the-counter purchases?

Although this legislation has passed, customers cannot use their Benefits Debit Cards to make over-the-counter purchases yet. The Special Interest Group for IIAS Standards (SIGIS) must first vote on making over-the-counter products eligible within their point-of-sale coding system.

Should the change be approved by SIGIS, merchants will likely begin implementing the changes on or around April 15. Because individual merchants may make the change at a different pace—weekly, quarterly, or annually, for example—each vendor's adoption rate may vary.

It's important to note that the addition of menstrual care products to the SIGIS system may not begin until around May 15.

Can customers request reimbursement without using their Benefits Debit Card?

Yes. If a Benefits Debit Card transaction is denied for the purchase of an eligible



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reimbursement claim.

For American Fidelity customers, the reimbursement process remains the same. Customers may [log in to their online account](#) or [register](#) to get started.

Will plan documents be updated to reflect these changes?

As a result of this legislation, American Fidelity will amend customers' Section 125 plan documents that are affected by this change, specifically those plans offering FSAs, HRAs, and HSAs.

What is required for employers to implement these changes?

American Fidelity will send amendments to all Section 125 Plan employers. The document will be sent via email and must be signed by April 15 to remain compliant.

I made an over-the-counter purchase in January. Can that be reimbursed?

The new provision affects over-the-counter medical or menstrual purchases made beginning January 1, 2020. However, each employer must execute the amended plan documents to allow American Fidelity to reimburse those expenses.

What are other eligible expenses?

In addition to over-the-counter products, there are many medical expenses that remain eligible for reimbursement. [View Eligible Expenses](#) ▶

American Fidelity is focused on all legislation related to the COVID-19 pandemic and we will continue to provide updates as developments arise.

If you have any questions specifically related to our efforts, [please visit our COVID-19 notices page](#).

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