



Over-the-counter medicines and menstrual care products are now fully FSA- and HSA-eligible

In response to the COVID-19 crisis, the CARES Act has expanded FSA and HSA coverage. Consumers can now use their FSAs or HSAs to purchase over-the-counter (OTC) drugs and medicines, without needing a prescription. In addition, menstrual care products are now considered a qualified medical expense.

How will this help my employees?

This monumental change will help your employees get even more value out of their health benefit accounts – saving them money on essential healthcare products while helping to protect their health and wellbeing. Your employees will no longer be required to visit a doctor to obtain a prescription for OTC medicines, such as pain relievers and cough medication, in order to purchase them with their FSA or HSA funds. In addition, your employees may now use their funds for menstrual care products, such as tampons, pads, and liners.

When did the change take effect and how long will it last?

This is a permanent change that is effective immediately and retroactive to January 1, 2020.

Can accountholders get reimbursed for OTC medicines or menstrual care products purchased after December 31, 2019, but before the law was enacted?

Yes, accountholders who previously purchased OTC medicines or menstrual care products after December 31, 2019, can request reimbursement for these items as long as they have access to their receipts.

How can I see which items are now eligible for purchase?

A comprehensive list of eligible expenses can be found at <https://www.amben.com/participants-eligible-expenses.html>.

Can accountholders use their ABG Benefits Card to purchase the newly eligible OTC medicines and menstrual care products?

Yes. Retailers are in the process of updating their systems to accept health benefit account cards for the newly approved items. It is estimated that most major retailers will be ready to accept health benefit account cards as soon as April 15 for OTC medicines and May 15 for menstrual care products. As with any eligible product or service, accountholders always have the option to pay with their personal funds, save their receipt, and submit a reimbursement request.

Is there any action I need to take as an employer?

We recommend communicating this important change to your employees so they understand how to get the most value out of their health benefit accounts. For your convenience, we have provided a sample email and document you can send to your employees to help communicate this change.

Call us at 800-499-3539 to learn more.