



Professional Benefit Services, Inc.
Affordable administration of employee benefit plans



Cares Act Updates and Implications of COVID-19 Pandemic

Cares Act Changes to Consumer Driven Health Coverage

- ✓ Over the counter medications are now eligible for reimbursement in FSA, HSA and HRA plans. Vitamins will still require a prescription or letter of medical necessity if it is desired to be a qualifying expense. This change is retroactively effective to 1/1/20. This is not applicable to limited purpose plans (FSA's or HRA's).
- ✓ Women's menstrual products were added as eligible expenses for FSA's, HSA's and HRA's. This change is retroactively effective to 1/1/20. This is not applicable to limited purpose FSA's.
- ✓ Telehealth can be offered, at no cost to the participants, to HDHP and HSA participants without compromising eligibility for the plans.
- ✓ COVID-19 testing, without any cost sharing, will not compromise the HDHP nor HSA plan eligibility.

Consumer Driven Health FAQ

- ✓ **My Daycare is no longer needed or available, can I change my election?**
 - A change in cost is considered a qualifying event for dependent care account elections. The amount that has been withheld from pay to date cannot be reduced but you can stop future deductions. You will need to complete a change of status form within 30 days of the change. Once Daycare becomes available again you will need to complete another change of status form to start the deductions again. **Applicable plans: DCA.**
- ✓ **What will happen to my plan if I am terminated, furloughed or laid off?**
 - Once you no longer meet the eligibility requirements for the plan you can only continue to maintain eligibility, with regards to the consumer driven health plans, through qualified leave (typically FMLA) or enrollment in COBRA. If you are not eligible for qualifying leave and do not elect COBRA then there are a couple of scenarios in regards to how you are treated when you resume active status. If rehired within 30 days, you can resume enrollment in the plan as if the break in service had not occurred. Keep in mind that, if your election is resumed, contributions may need to be accelerated since there may be less payroll periods remaining for deductions. If you are rehired after 30 days then you will need to satisfy the waiting period and enroll in the plan as though you were a new hire. Keep in mind that when submitting your new election, the amount you elect plus your previous election cannot exceed the regulatory maximums for the calendar year. Lastly (for those considering enrolling in COBRA FSA plans), if you had spent more FSA funds than had been deducted plan year-to-date at the time of separation, then you will not be eligible to COBRA the FSA plan under current guidance. **Applicable plans: FSA, DCA, HSA, HRA.**
- ✓ **I had a planned procedure that has been delayed and I am unable to use all of my FSA funds.**
 - Currently there is no relief provided by the regulating bodies for this situation. The plan terms must still be followed accordingly. We will send out additional communications should this situation change. **Applicable plans: FSA.**

Should you have questions regarding these topics or anything else pertaining to your consumer driven health plans please reach out to your administrator.