

CARES Act - New Eligible Expenses

The Coronavirus Aid Relief and Economic Security Act (CARES Act) signed into law on Friday, March 27, 2020 includes an important change to reimbursement plans. Among other provisions, the bill permanently reinstates coverage of over-the-counter (OTC) medicines and drugs as items eligible for reimbursement under Code 213(d) expenses in FSA and HSA plans (and some HRA plans, depending on plan design).

With this change, OTC medicines and drugs will no longer require participants to have a prescription to prove eligibility, striking a provision that was included years ago in the Affordable Care Act. In addition to the reinstatement of OTC eligibility, the bill expands the eligible OTC definition to include menstrual care products. This change is retroactive and effective for expenses incurred on or after January 1, 2020.

What does this mean for me as the plan sponsor?

The good news is that you do not need to take any action in order for your participants to be able to take advantage of this positive change. Sentinel is currently in the process of reviewing any required plan document updates and will communicate any such changes once that course of action is determined. With that said, no action is needed on your end and participants can take advantage of this change effective immediately.

What does this mean for my participating employees?

Your employees may begin to submit expenses for OTC medicines and drugs effective immediately, as long as the expense was incurred on or after January 1, 2020. Examples of these items include, but are not limited to: allergy medicine, cold and flu medicine, pain relievers, and more.

Please keep in mind, however, that while Sentinel can accept and approve claims for OTC medicines and drugs immediately, it will take time for the Benny Card to work for such expenses. SIGIS is a non-profit, membership corporation that is responsible for the development and management of an industry standard to meet IRS requirements for operating an inventory information approval system (an "IIAS"). SIGIS will make its updates in the coming weeks and, once complete, each retailer will have the ability to download the updated list. The earliest that cards will begin to work for such expenses will be mid- to late-April; however, since the update is incumbent on each merchant to make there will be an extended period of time where the card will work at some retailers and will not work at others for these expenses.

Lastly, if an employee previously submitted an OTC medicine or drug that was denied due to not being eligible, we would ask that participants re-send such claims as Sentinel will not have the ability to go back to review claims previously submitted. The fastest and easiest ways to submit claims to Sentinel are by filing a claim through the employee's online portal or through the Sentinel FSA HSA HRA mobile app.

What is Sentinel doing next?

Sentinel will be sending an email communication directly to plan participants notifying them of this exciting change. This email will be sent within the next few days. Additionally, we are working to update all collateral and website materials that address the items and services covered under these plans. An updated eligible expense list can be found [here](#). Lastly, we are in the process of creating COVID-19 online resources pages for participants in Sentinel's Help Center. The Participant Help Center can be found [here](#).

If you have any questions, please reach out to your Sentinel Health & Welfare Account Manager directly.
