



SPC COVID -19 Communication

4/21/20

We wanted to highlight a change to HSA accounts that resulted from the CARES Act. The items you can buy with those funds has been expanded to include over-the-counter (OTC) medications. You should have received the email below from Health Equity as well as the flyer attached explaining more details. One thing to point out, if you are using your HSA credit card, not all merchants may have updated their software to allow these purchases. In that case, you would have to purchase the eligible items with other funds and then send those receipts in for reimbursement. The expectation is that the majority of vendors will have the necessary updates in place by 5/1/20. Just keep in mind, even after those updates are done, you will need to be purchasing 100% eligible items for the card to work. This may mean you need to do two transactions (HSA eligible items only/anything else) if you want to pay with your HSA credit card. Take a moment to review the information Health Equity provided to give you further guidance.

We are also approaching our annual benefits renewal. Some items to keep in mind:

- BCBSNC-deductibles reset 7/1
- Vision insurance-allows one exam per 12 months
- Vision insurance-includes an allowance for \$150 per 12 months for glasses or contacts; no rollover

It is difficult to take advantage of some of these benefits right now but hopefully we will all have an opportunity before the 7/1 renewal.

If you have any questions, please contact:

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Dear Member:

These past few months have been unprecedented as the world responds to COVID-19. We wanted to inform you of the recent industry updates and to announce we've created a [hub for our members](#), with answers to frequently asked questions.

The hub will be updated as new information is available, so we encourage you to visit this website today and bookmark it for future reference.

[VISIT WEBSITE](#)

CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was recently signed into law. The Act brings an exciting change as it allows over-the-counter (OTC) drugs and medicines without a prescription (Rx) along with menstrual care products purchased on or after January 1, 2020 to be eligible for health savings account (HSA), flexible spending account (FSA), and health reimbursement arrangement (HRA) reimbursement.¹

Have an HSA?

The deadline to file your 2019 taxes and contribute to your 2019 HSA is now July 15, 2020. Please note the maximum annual contributions for 2019 are \$3,500 for individuals and \$7,000 for families. Starting at age 55, an additional \$1,000 is allowed annually.

We hope you find this information helpful as you seek to maximize your health account benefits. As always, we are available any time if you need us.

Sincerely,

HealthEquity Member Services



CARES Act of 2020

The \$2 trillion appropriations bill, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law by President Trump on Friday, March 27, 2020, brings emergency assistance and additional health care provisions to Americans affected by the 2020 coronavirus pandemic. There are two provisions of particular interest to participants in health savings accounts (HSAs), healthcare flexible spending accounts (FSAs), and health reimbursement arrangements (HRAs).

- **HSA-Qualified Health Plans, also known as High-Deductible Health Plans (HDHPs)**, can cover telehealth and other remote care service expenses below the HDHP statutory deductible limit or at no or low-cost sharing without effecting an HSA accountholder's ability to continue to contribute to their HSA. The provision is effective immediately and will be operative for plan years beginning on or before December 31, 2021. This is a welcome change during the pandemic because it reduces the risk of contagion while providing more access to care in a cost-effective manner.
- **Over-the-counter (OTC) drugs and medicines.** The CARES Act repeals the Affordable Care Act requirement that OTC drugs and medicines must be prescribed in order to be reimbursed under HSAs, FSAs or HRAs. This means that these plans can now pay for, or reimburse, OTC drugs and medicines without a prescription from a doctor. This provision is effective for expenses incurred and/or paid after December 31, 2019. This provision does not have an expiration date.
- **Menstrual care products.** The CARES Act also deems expenses for menstrual care (feminine hygiene) products qualified medical expenses, also which can be paid by an HSA, FSA or HRA. This provision is effective for expenses incurred and/or paid after December 31, 2019. This provision also does not have an expiration date.

Next Steps:

- We are developing a process to update health care plan eligible expense lists as appropriate.
- We will be providing a process to provide a plan amendment template to address these changes.
- We will continue to keep you updated on all news related to consumer-directed benefits as information becomes available.

The plan's list of eligible expenses will be automatically updated to accept the items noted. As it becomes available, we will continue to keep you updated on all news related to consumer-directed benefits.