

# COVID-19 Update: HSAs and FSAs

Medical Mutual's top priority is the health and wellbeing of our members. We are closely monitoring legislation changes due to the coronavirus disease known as COVID-19, and how these changes affect Medical Mutual health savings accounts (HSAs) and flexible spending accounts (FSAs). The following is the latest information for these products.

## Tax-Filing Extension – Impact on HSA Contributions

The Internal Revenue Service (IRS) recently announced the delay of the tax filing deadline from April 15, 2020 to July 15, 2020, as provided in IRS Notice 2020-18.

With regard to contributions to HSAs, the IRS stated the following:

Contributions may be made to your HSA for a particular year, at any time during the year or by the due date for filing your return for that year. Because the due date for filing Federal income tax returns is now July 15, 2020, under this relief, you may make contributions to your HSA for 2019 at any time up to July 15, 2020. For more details on HSA contributions, see [Publication 969, Health Savings Accounts and other Tax-Favored Health Plans](#).

## The CARES Act – Impact on HSAs and Health FSAs

### Q: What is the CARES Act?

A: The Coronavirus Aid, Relief, and Economic Security (CARES) Act is an economic relief bill signed into law by President Trump on March 27, 2020. The legislation allocates \$2.2 trillion to individuals and businesses affected by the pandemic and economic downturn.

### Q: How does the CARES Act affect HSAs and health FSAs?

A: The CARES Act includes a provision that makes over-the-counter (OTC) medicines and menstrual products HSA- and FSA-eligible. This provision affects qualified purchases made after Dec. 31, 2019. If you have a Medical Mutual HSA or FSA, you can reimburse yourself for OTC medicines and/or menstrual products purchased after Dec. 31, 2019. Depending on the merchant, it may take up to one year for these items to be loaded into card processing systems.

- **For HSA reimbursement:** Use the Bill Pay feature in the online member portal or AccountLink mobile app. Please save your receipt(s) for verification of eligible expenses if required.
- **For FSA reimbursement:** Submit a claim for reimbursement along with your receipt(s) in the online member portal or AccountLink mobile app.

The CARES Act also allows high-deductible health plans (HDHPs) with an HSA to cover telehealth services before the deductible is met. This provision is effective immediately but expires on Dec. 31, 2021.

### Q: Can I use my Medical Mutual debit card to pay for OTC medicines and menstrual products?

A: You cannot currently use your Medical Mutual debit card to pay for these items because they are not loaded into the merchants' credit card processing systems. As previously mentioned, depending on the merchant, it may take up to one year for these items to be loaded into card processing systems.

**Q: What happens if I try to use my Medical Mutual debit card to purchase an item not loaded into the credit card processing system?**

A: If you attempt to purchase one of these items with your debit card, you will receive a transaction denied message. If you receive a denied message, you can pay for the item(s) with another form of payment and then reimburse yourself as follows:

- **For HSA reimbursement:** Use the Bill Pay feature in the online member portal or AccountLink mobile app. Please save your receipt(s) for verification of eligible expenses if required.
- **For FSA reimbursement:** Submit a claim for reimbursement along with your receipt(s) in the online member portal or AccountLink mobile app.

**Q: Can I still purchase OTC medicines and menstrual products with my Medical Mutual FSA funds if my FSA plan doesn't include a Medical Mutual debit card?**

A: Yes. You can pay for the item(s) with another form of payment and then submit a claim for reimbursement along with your receipt(s) in the online member portal or AccountLink mobile app.

## **Dependent Care Flexible Spending Accounts (DCAs) – Election Changes**

**Q: What action has the government/IRS/State of Ohio taken regarding dependent care flexible spending accounts (DCAs) related to workplace and day care restrictions and closings due the coronavirus disease known as COVID-19?**

A: There has been no official guidance for any flexible spending accounts, including DCAs, specific to COVID 19. However, election changes are permitted if your cost for day care or eligibility for a DCA have changed due to a COVID-19-related occurrence.

**Q: Can I change my election amount?**

A: Yes. Election changes are permitted if your cost for day care or their eligibility have changed due to either of the following:

- **A change of cost or coverage benefit**  
Example: You no longer need to pay for day care or have a reduction in fees due to day care restrictions and closures in response to COVID-19.
- **A change in eligibility status**  
Example: You no longer need to use day care because you or your spouse/ partner is now available to provide care for the child(ren) due to a change in job status as a result of the response to COVID-19.

You should review your current election amount and adjust if needed. You will be able to reverse changes as needed if the criteria above changes due to the response to the COVID-19 crisis.