Included in the new CARES Act that was signed into law on 3/27/20, were some changes to those items that are eligible for Flexible Spending Accounts and HRAs. Those changes include making over the counter medicines and drugs eligible without any additional documentation necessary. Previously a person needed to have a prescription from a doctor even if they were purchasing an item over the counter. This change does not apply to vitamins/minerals/herbs/supplements. Those will still require a letter of medical necessity in order to be eligible. Additionally, menstrual care products have now been classified as eligible. The CARES Act specifically identifies tampons, pads, liners, cups and sponges items that eligible.

The CARES Act states these changes are retroactive, and apply to those items that were purchased on/after January 1, 2020.

Please be reminded that a change in the amount of medical expenses a participant can/will incur is not a qualifying change in status allowing changes to medical Flexible Spending Accounts. The fact that over-the-counter medicines/drugs are now eligible when they had previously not been eligible, does not allow for a change to the original plan year election. Likewise, incurring fewer expenses because of cancelled medical/dental/vision appointments, also does not allow for a change.*

Attachments:
Revised Eligible and Ineligible Expenses effective 1/1/20 with CARES ACT Information Sheet on Dependent Care and Medical Account Changes*
Maximize the Value of Your Reimbursement Account

Your Health Care Flexible Spending Account (FSA) and/or Health Reimbursement Account (HRA) dollars can be used for a variety of out-of-pocket health care expenses. The following is a list of most eligible and ineligible expenses:

### Eligible Expenses

<table>
<thead>
<tr>
<th>BABY/CHILD TO AGE 13</th>
<th>MEDICAL EQUIPMENT/SUPPLIES</th>
<th>MEDICATIONS</th>
<th>MEDICAL PROCEDURES/SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lactation Consultant*</td>
<td>Air Purification Equipment*</td>
<td>Insulin</td>
<td>Acupuncture</td>
</tr>
<tr>
<td>Lead-Based Paint Removal</td>
<td>Arches and Orthotic Inserts</td>
<td>Prescription Drugs</td>
<td>Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)</td>
</tr>
<tr>
<td>Special Formula*</td>
<td>Contraceptive Devices</td>
<td></td>
<td>Ambulance</td>
</tr>
<tr>
<td>Tuition: Special School/Teacher for Disability or Learning Disability*</td>
<td>Crutches, Walkers, Wheel Chairs</td>
<td></td>
<td>Fertility Enhancement and Treatment</td>
</tr>
<tr>
<td>Well Baby/Well Child Care</td>
<td>Exercise Equipment*</td>
<td></td>
<td>Hair Loss Treatment*</td>
</tr>
<tr>
<td>Breast Pump &amp; Supplies to assist with lactation = 2/11/11</td>
<td>Hospital Beds*</td>
<td></td>
<td>Hospital Services</td>
</tr>
<tr>
<td>DENTAL</td>
<td>Medic Alert Bracelet or Necklace</td>
<td>OBSTETRICS</td>
<td>Immunization</td>
</tr>
<tr>
<td>Dental X-Rays</td>
<td>Nebulizers</td>
<td>Doulas*</td>
<td>In Vitro Fertilization</td>
</tr>
<tr>
<td>Dentures and Bridges</td>
<td>Orthopedic Shoes*</td>
<td>Lamaze Class</td>
<td>Physical Examination</td>
</tr>
<tr>
<td>Exams and Teeth Cleaning</td>
<td>Oxygen*</td>
<td>OB/GYN Exams</td>
<td>(not employment-related)</td>
</tr>
<tr>
<td>Extractions and Fillings</td>
<td>Post-Mastectomy Clothing</td>
<td>OB/GYN Prepaid Maternity Fees</td>
<td>Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)</td>
</tr>
<tr>
<td>Oral Surgery</td>
<td>Prosthetics</td>
<td>(reimbursable after date of birth)</td>
<td>Service Animals</td>
</tr>
<tr>
<td>Orthodontia*</td>
<td>Syringes</td>
<td>PRENATAL TREATMENTS</td>
<td>Sterilization/Sterilization Reversal</td>
</tr>
<tr>
<td>Periodontal Services</td>
<td>Wigs*</td>
<td></td>
<td>Transplants (including organ donor)</td>
</tr>
</tbody>
</table>

### Note

This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Letter of Medical Necessity (LMN) from your health care provider to qualify for reimbursement. (A sample LMN form can be found on our website at www.sieba.com). For additional information, check your Summary Plan Document or contact SIEBA, LTD. (800) 252-4624, (607) 786-9003.
The IRS does not allow the following expenses to be reimbursed under Health Care FSAs or HRAs, as they are not prescribed by a physician for a specific ailment.

### Ineligible Expenses

- Contact Lens or Eyeglass Insurance
- Cosmetic Surgery/Procedures
- Electrolysis
- Marriage or Career Counseling
- Personal Trainers
- Sunscreen (spf less than 30)*
- Swimming Lessons

*Note: This list is not meant to be all-inclusive. Expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Letter of Medical Necessity (LMN) from your health care provider to qualify for reimbursement. A sample LMN can be found on our website at [www.sieba.com](http://www.sieba.com).

**Please Note:** As changed by the CARES Act, signed into law on 3/27/2020, the IRS will allow Over-the-Counter (OTC) medicines or drugs to be purchased with Health Care FSA or HRA funds without a prescription.

### Eligible Over-the-Counter Medicines and Drugs

- Acid controllers
- Acne medications
- Allergy & sinus
- Antibiotic products
- Antifungal (Foot)
- Antiparasitic treatments
- Antiseptics & wound cleansers
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Baby rash ointments & creams
- Baby teething pain
- Cold sore remedies
- Contraceptives
- Cough; cold & flu
- Denture pain relief
- Digestive aids
- Ear care
- Eye care
- Feminine antifungal & anti-itch
- Fiber laxatives (bulk forming)
- First aid burn remedies
- Foot care treatment
- Hemorrhoidal preps
- Homeopathic remedies
- Incontinence protection & treatment products
- Laxatives (non-fiber)
- Medicated nasal sprays, drops, & inhalers
- Medicated respiratory treatments & vapor products
- Motion sickness
- Oral remedies or treatments
- Pain relief (includes aspirin)
- Skin treatments
- Sleep aids & sedatives
- Smoking detergents
- Stomach remedies
- Unmedicated nasal sprays, drops & inhalers
- Unmedicated vapor products

### OTC Items that are not medicines or drugs remain eligible for purchase with FSAs and HRAs.

#### Eligible Over-the-Counter Items

- Baby Electrolytes and Dehydration
  - Pedialyte, Enfalyte
- Contraceptives
  - Unmedicated condoms
- Denture Adhesives, Repair, and Cleansers
  - PoliGrip, Benzocid, Plate weld, Efferdent
- Diabetes Testing and Aids
  - Ascencia, One Touch, insulin syringes, glucose products
- Diagnostic Products
  - Thermometers, blood pressure monitors, cholesterol testing
- Ear Care
  - Unmedicated ear drops, syringes, ear wax removal
- Elastics/Athletic Treatments
  - ACE, Futura, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts
- Eye Care
  - Contact lens care
- Family Planning
  - Pregnancy and ovulation kits
- First Aid Dressings and Supplies
  - Band Aid, 3M Nexcare, non-sport tapes
- Foot Care Treatment
  - Unmedicated corn and callus treatments (e.g., callus cushions), devices, therapeutic insoles
- Hearing Aid/Medical Batteries
- Menstrual Care Products
  - Tampon, pad, liner, cup, sponge
- Home Health Care (limited segments)
  - Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters; unmedicated wound care, wheel chairs
- Incontinence Products
  - Attends; Depend, GoodNites for juvenile incontinence, Prevail
- Prenatal Vitamins
  - Stuari Prenatal, Nature’s Bounty
- Prenatal Vitamins
- Reading Glasses and Maintenance Accessories

For additional information, please contact: SIEBA, LTD., PO Box 5000, Endicott, NY 13761-5000. (607) 786-3003, (800) 252-4624, (607) 786-3437 FAX
With the current worldwide health crisis we are all experiencing, many schools and businesses have decided to close and/or allow employees to work from home when possible. As a result, many families are finding that their medical expenses and/or child care situation have changed. For those who are enrolled for the current plan year, there may be questions in regards to your Flexible Spending account expenses. In an effort to help provide information to participants to allow them to make informed decisions about how to proceed with the program, below please find answers to some of the most commonly asked questions. If your specific situation is not addressed here, please contact your human resources representative for additional information and guidance.

**Dependent Care Assistance Program (DCAP)**

Please be reminded that expenses paid for child care while a parent is home and not actually working, (even if they are still being paid) are not eligible for reimbursement through a Flexible Spending Dependent Care Assistance Program.

- I am not working at this time due to COVID-19, so my child is not going to daycare. I am still getting paid, however I am not paying for childcare. Can I decrease my DCAP election amount as I do not need daycare services right now?
- My child's school is closed due to COVID-19. I must still work from home, and am still getting paid, however I am not paying for childcare. Can I decrease my DCAP election because either daycare is not available, and/or I or a relative is caring for the child?
- My child's school is closed due to COVID-19. I must still work; I must now pay more for child care as my child is being cared for during what would normally be school hours. Can I increase my DCAP election?

Yes, the above listed situations constitute a qualifying change of status event that would allow you to make a change to the original amount elected for your Dependent Care account.

- What happens if I get laid off or terminated and my employer terminates my DCAP?
  You can submit claims for expenses incurred up through the date of termination. Claims must be submitted within the time limit required as set by the guidelines of your plan. The amount to be reimbursed cannot exceed the amount you have actually paid into the plan.

**Medical Flexible Spending Account (FSA)**

- I am not working at this time due to COVID-19; however I am still receiving my normal wage. Can I decrease my FSA election amount?
  No. As there is no change in employment status, no changes to your original election can be made.
- What happens if I get laid off or terminated and my employer terminates my FSA?
  You can submit claims for expenses incurred up through the date of termination. Claims must be submitted within the time limit required as set by the guidelines of your plan.
- I have increased OR decreased medical expenses due to COVID-19. Can I change my FSA election amount?
  No. Unfortunately, a change in the amount of medical expenses to be incurred does not qualify as a reason to increase or decrease your FSA election amount.
If/when the health crisis abates within your current Plan Year, and your employment status possibly changes again, there will be an opportunity at that time to again make changes to your elections. You will want to contact your Human Resources representative within 30 days of that change for information and details specific to your individual situation.

Amounts that have already been contributed through pre-tax payroll deductions cannot be reversed or changed. You will want to contact your Human Resources representative as soon as you decide you would like to make a change to your original election. Changes must be made within 30 days of a qualifying event, and will not be made retroactive.