



TO: Our Valued Medical Care Reimbursement Account and Health Reimbursement Account Clients and Brokers
FROM: Health Plans, Inc.
DATE: April 21, 2021
RE: Personal Protective Equipment (PPE) to protect against COVID-19

As the Federal Government continues to offer relief related to the Public Health Emergency caused by COVID -19, the IRS has released Announcement 2021-7 that adds Personal Protective Equipment (PPE) used to protect against COVID-19 as eligible expenses under FSA, HRA, and HSA plans. PPE includes:

- Masks
- Hand sanitizer
- Sanitizing wipes

This change is retroactive and effective for expenses incurred on or after January 1, 2020. If your 2020 plan year runout period has already concluded, no further claims for that plan year can be filed. Also as indicated in the Announcement, no retroactive expenses may be accepted for reimbursement of PPE after December 31, 2022.

Eligible members can submit HPI's standard claim form along with copies of appropriate invoices/receipts for reimbursement of retroactive and prospective PPE expenses. If your MCRA Plan is set up with the debit card, members may use the card to purchase any future PPE once retailers have updated their payment systems.

Please also note that your HPI MCRA and HRA Plan Documents do not need to be amended to cover PPE since the Plans state that Qualifying Medical Care Expenses are those permitted under the Internal Revenue Code.

Please contact your HPI Account Manager if you have any questions.

Regards,

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Director, Regulatory Affairs

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The information contained in this message is based on our current understanding of recent regulatory developments which may affect group benefit plans. It should not be construed as specific legal advice or legal opinion. The contents are for general informational purposes only and are not a substitute for the advice of legal counsel.