
Letter Number 2022-08

Date: March 31, 2022

Fee-for-service [7]

Experience-rated HMO [7]

Community-rated HMO [8]

Subject: COVID-19 Over-the-Counter Tests

This Carrier Letter provides updated guidance on coverage of over-the-counter (OTC) tests for coronavirus disease 2019 (COVID-19).

On February 4, 2022, the Departments of Labor, Health and Human Services, and the Treasury (collectively, the Departments) issued [Frequently Asked Questions \(FAQs\) Part 52](#), which provide updated guidance about requirements for coverage of OTC COVID-19 tests under section 6001 of the Families First Coronavirus Response Act (FFCRA) for individualized diagnosis or treatment. OPM is directing Carriers to follow the Departments' updated guidance in providing coverage of OTC COVID-19 testing through FEHB plans.

Among other things, FAQs Part 52, Q1 modifies a safe harbor in [FAQs Part 51](#), Q2 that was adopted through Carrier Letter [2022-01](#).

FAQs Part 52, Q5 addresses how a plan's coverage of OTC COVID-19 tests impacts health flexible spending arrangements (FSAs), health reimbursement arrangements (HRAs), and health savings accounts (HSAs):

- **FSAFEDS and HRAs:** An individual cannot be reimbursed more than once for the same medical expense. Therefore, the cost (or the portion of the cost) of OTC COVID-19 tests paid or reimbursed by a plan cannot be reimbursed by the Federal Flexible Spending Account Program (FSAFEDS) or an HRA. In connection with notifying individuals about any direct coverage or reimbursement process, plans may wish to advise individuals not to seek reimbursement from FSAFEDS or an HRA for the cost (or the portion of the cost) of OTC COVID-19 tests paid or reimbursed by the plan and not to use an HRA debit card to purchase OTC COVID-19 tests for which the individual intends to seek reimbursement from the plan. If an individual mistakenly receives reimbursement from FSAFEDS or an HRA for OTC COVID-19 test costs

covered by a plan, the individual should contact FSAFEDS or the HRA administrator regarding correction procedures.

- **HSAs:** Expenses incurred for OTC COVID-19 tests paid or reimbursed by a plan are not qualified medical expenses for purposes of an HSA. If an individual mistakenly takes a distribution from an HSA for OTC COVID-19 test costs paid or reimbursed by a plan, the individual must either (1) include the distribution in gross income, or (2) if and as permitted under Q&A 37 and 76 of [IRS Notice 2004-50](#), repay the distribution to the HSA.

If you have any questions, please contact your Health Insurance Specialist.

Sincerely,

Laurie Bodenheimer
Associate Director
Healthcare and Insurance