

Health Care Reform impacts Over-the-Counter Drugs and Medicines

The Affordable Care Act of 2010 changes the rules for using Medical Flexible Spending Account (FSA) and Health Reimbursement Account (HRA) funds to purchase Over-the-Counter (OTC) drugs and medicines.

OTC Drugs and Medicines

Effective January 1, 2011, Medical FSA and HRA* funds may no longer be used to purchase OTC drugs and medicines (other than insulin) without a prescription** from a medical provider. This means that beginning January 1, 2011:

- These items can no longer be purchased with a benefit card.
- If an OTC drug or medicine is required to treat a specific medical condition, you can submit a claim for reimbursement but you must include a prescription.

Some examples of OTC drugs and medicines that will require a prescription are:

- Allergy & sinus medicines
- Antibiotic products
- Baby rash ointments/creams
- Cough, cold & flu medicines
- Gastrointestinal aids
- Pain relief medicines
- Sleep aids & sedatives
- Stomach remedies

Eligible OTC Medical Supplies

This rule does not apply to eligible OTC medical supplies that are not drugs or medicines. Medical FSA and HRA funds can continue to be used for these expenses (without a prescription). This means that they can be either purchased with a benefit card or a claim may be submitted for reimbursement.

Some examples of OTC medical supplies that will continue to be eligible are:

- Band-aids
- Contact lens solution
- Health monitors (e.g. blood pressure)
- Hearing aid batteries
- Motion sickness devices
- Supports/braces

Please consider the new OTC rules when estimating your Medical FSA election during enrollment.

For more information, visit www.BenefitResource.com

FSA Information, HRA Information – OTC Charts
FAQs – FSA /HRA – Over the Counter

Questions? Contact the Benefit Resource Participant Services Department:

Online Chat: M-F, 8am - 5pm Eastern Time
(only available with participant log in access)

Phone: (800) 473-9595, M-F, 8am - 8pm Eastern Time

Email: ParticipantServices@BenefitResource.com

**Please refer to plan documentation for your Employer sponsored HRA Plan regarding OTC items.*

*** To be reimbursed for these expenses, a completed claim form must be submitted to Benefit Resource, Inc. along with one of the following:*

- *a customer receipt identifying the name of the person for whom the prescription applies, the date and amount of the purchase, and an Rx number; or*
- *a customer receipt that reflects the date and the amount of the purchase, along with a copy of the prescription.*