

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

The Health Care Reform Bill of 2010 restricts the use of Medical Flexible Spending Account (FSA) and Health Reimbursement Account (HRA) funds to purchase Over-the-Counter (OTC) drugs and medicines. These restrictions apply to OTC purchases made on or after **January 1, 2011**, impacting all participants and plans at the same time, regardless of the plan year.

What is Changing?

Beginning January 1, 2011, Medical FSA and HRA* funds may no longer be used to purchase **OTC drugs and medicines** (other than insulin) without a directive from a medical provider. As of that date:

- You may no longer use a benefit card to purchase OTC drugs and medicines.
- If you purchase an OTC drug or medicine that is required to treat a specific medical condition, you can submit a claim for reimbursement, but you must include a *Certification of Medical Necessity*.

Examples of OTC drugs and medicines that will require a *Certification of Medical Necessity*:

- Acid Controllers
- Allergy & sinus medicines
- Antibiotic products
- Anti-Diarrheals
- Baby rash ointments/creams
- Cough, cold & flu medicines
- Digestive Aids
- Laxatives
- Motion Sickness
- Pain relief medicines
- Sleep aids & sedatives
- Stomach remedies

What is Staying the Same?

The new restrictions do not apply to purchases of **insulin or eligible OTC medical supplies**. Medical FSA or HRA* funds can continue to be used for those items. Therefore, you can continue to purchase them with a benefit card or submit a claim for reimbursement (without a *Certification of Medical Necessity*).

Examples of OTC medical supplies that will continue to be eligible:

- Band-aids
- Birth Control
- Contact lens solution
- Denture Adhesives
- First Aid Supplies
- Health monitors (e.g. blood pressure)
- Hearing aid batteries
- Insulin & Diabetic Supplies
- Supports/braces
- Wheelchairs, Walkers, Canes

Plan Ahead!

Please consider the new OTC rules when estimating your Medical FSA election during enrollment. For more information, visit www.BenefitResource.com and select the following:

- FSA Information or HRA Information – OTC Charts
- Forms – FSA/HRA – *Certification of Medical Necessity*
- 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 regarding eligibility of OTC items under your Employer-sponsored FSA or HRA Plan.*