

Health Care Reform and Flexible Spending Accounts Changes to Over-the-counter Eligibility for Reimbursement

In March 2010, President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively "the Act"). The Act includes a number of modifications to employee benefit programs. One provision that affected employee participants beginning January 1, 2011 was the requirement for over-the-counter (OTC) drugs, medicines and biologicals to be accompanied by a physician's prescription in order to be eligible for reimbursement under health flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and health savings accounts (HSAs).

Though the specific list of items affected has not been completely assessed, the following categories of OTC items will require a doctor's prescription as of January 1, 2011 in order to be eligible for reimbursement through an FSA, HRA or HSA:

- Acid Controllers
- Allergy & Sinus
- Antibiotic Products
- Anti-Diarrheal
- Anti-Gas
- Anti-Itch & Insect Bite
- Anti-parasitic Treatments
- Baby Rash Ointments/Creams
- Cold Sore Remedies
- Cough, Cold & Flu
- Digestive Aids
- Feminine Anti-Fungal/Anti-Itch
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aids & Sedatives
- Stomach Remedies

The Act will also impact the use of all Benefit MasterCard. Beginning January 1, 2011, items that require a doctor's prescription for reimbursement can no longer be auto substantiated at the point-of-sale. Therefore, purchases of OTC drugs, medicines and biologicals will require another form of payment. The employee can then submit a claim or request for reimbursement by using a reimbursement form and submitting the receipt for the purchase along with the doctor's prescription for the item purchased. This change affects only OTC drugs, medicines and biologicals; bandages, home health-aids and other OTC items (mentioned below) will still be eligible and can be purchased using the Benefit MasterCard without further documentation.

The following are examples of some of the OTC items that will remain eligible for reimbursement without a doctor's prescription:

- Band Aids
- Birth Control
- Braces & Supports
- Catheters
- Contact Lens Supplies & Solutions
- Denture Adhesives
- Diagnostic Tests & Monitors
- Elastic Bandages & Wraps
- First Aid Supplies
- Insulin & Diabetic Supplies
- Ostomy Products
- Reading Glasses
- Wheelchairs, Walkers, Canes

Please feel free to contact PlanSource with questions regarding the change to OTC eligibility and reimbursement at (888) 266-1732.