

Healthcare Reform and its Impact on Health Care Flexible Spending Accounts

Changes to Eligible OTC Products for 1/1/2011 - Eligible OTC Products Changes

In March, President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. The Act includes a number of modifications to employee benefit programs. One provision that will affect employee participants beginning **January 1, 2011**, is the requirement for over-the-counter (OTC) drugs and medicines to be accompanied by a physician's prescription in order to be reimbursed under FSAs, HRAs, and HSAs.

Eligible OTC Products Changes

OTC drugs and medicines will continue to be eligible for reimbursement as long as the request is accompanied by a doctor's prescription. This means that items such as cough medicines, pain relievers, acid controllers, and diaper rash ointment will now require a doctor's prescription to be submitted along with the reimbursement request. Insulin and other OTC items, such as band-aids, will continue to be eligible without a prescription.

Since this change applies to all expenses incurred on or **after January 1, 2011**, it will affect **all plans and participants at the same time**, regardless of the plan year.

Eligible OTC Products Changes - Sample categories of items that will require a doctor's prescription:

- Acid Controllers
- Allergy & Sinus
- Antibiotic Products
- Anti-Diarrheals
- 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
- Hemorrhoidal Preps
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aids & Sedatives
- Stomach Remedies

Eligible OTC Products Changes - Sample categories of OTC items that will remain available 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

What has changed?

Under Health Care Reform laws, over-the-counter (OTC) medicine purchases are no longer permissible unless they are required and prescribed by a medical doctor. Therefore, if you want to be reimbursed for OTC medications, you must supply a copy of the doctor's prescription along with your receipts. Participants will not be reimbursed for OTC medications unless the doctor's prescription is included.

- Participants must submit manual claims in order to be reimbursed for an OTC drug or medicine
- They must provide the doctor's prescription for substantiation purposes

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