

THE HEALTH CARE REFORM

What it means for you and your employees



Important Medical Reimbursement Flexible Spending Account Changes for 2011

Beginning on January 1, 2011 changes will go into effect on how Medical Reimbursement FSA participants are reimbursed for certain types of over-the-counter (OTC) health care expenses.

Beginning January 1, 2011, over-the-counter drugs and medicines will no longer be eligible for reimbursement under a health FSA without a prescription from a provider. This means that a participant will NOT have the ability to use their Flex Card for the purchase of these items. To be reimbursed for these items, a participant will need to file a manual claim along with a prescription.

What IS considered an OTC “medicine or drug” that would require a prescription?

While the IRS did not provide specific guidance of what is considered an OTC medicine or drug, we are reasonably certain that the following items WILL require a prescription in order to be eligible for FSA reimbursement beginning January 1, 2011.

- Antacids
- Allergy and sinus medications
- Anti-diarrheals
- Anti-gas
- Anti-itch and insect bites
- Baby rash ointments and creams
- Cold sore remedies
- Cough, cold and flu medication
- Digestive aids
- Feminine anti-fungal/anti-itch
- Laxatives
- Motion sickness medication
- Pain relievers
- Respiratory treatments
- Sleep aids and sedatives
- Stomach remedies

What IS NOT considered an OTC “medicine or drug” and is still eligible for purchase using a Flex Card without a prescription?

While the IRS did not provide specific guidance of what is not considered an OTC medicine or drug, we are reasonably certain that the following items WILL NOT require a prescription in order to receive reimbursement from an FSA. Therefore, participants can still use their FSA debit card to purchase these items.

- Acne creams
- Anti-fungal foot medication
- Antiseptics and wound cleaners
- Band Aids
- Condoms
- Braces and supports
- Catheters
- Denture adhesives
- Diabetic testing and aids
- Diagnostic tests and monitors
- Elastic bandages and wraps
- Eye care and contact lens supplies
- Family planning kits
- Fiber laxatives
- First aid supplies
- Hearing aid batteries
- Infant electrolytes and dehydration solutions
- Infant teething pain supplies
- Insulin and diabetic supplies
- Nebulizers
- Orthopedic aids
- Ostomy products
- Reading glasses
- Smoking deterrents
- Syringes
- Thermometers
- Wheelchairs, walkers, and canes