



Using a health care FSA to pay for OTC medicines or drugs? You will now need a prescription.

As of Jan. 1, 2011, you can no longer use your health care flexible spending account (FSA) for over-the-counter (OTC) medicines or drugs without a prescription. This change is part of the Affordable Care Act passed in 2010.

Insulin, prescription medicines or drugs and some OTC supplies – such as bandages, crutches, blood sugar test kits and contact solution – will continue to be eligible, if your health care FSA plan allows.

If I get a prescription for an OTC medicine or drug, how do I use my FSA to pay for it?

▶ At a grocery, department or other retail store (online, too)

You can take the OTC medicine or drug off the shelf, pay out of your pocket and submit a claim form to be reimbursed from your FSA. You will need to submit a copy of your receipt and your OTC medicine or drug prescription with your claim form. The prescription must include:

- Your name
- Name of medicine
- Dosage and form
 - Quantity prescribed
 - Instructions
- Signature of the provider who wrote the prescription

▶ At a pharmacy (in person or online)

You can take your OTC medicine or drug prescription to a pharmacist to be filled and have a prescription number assigned. If you have an FSA debit card, you may be able to use your card to pay for it. Or, you can submit a claim form to be reimbursed from your FSA. If you submit a claim form, you must include a receipt from the pharmacist that includes:

- Prescription number
- Your name
- Date of purchase
- Dollar amount



Examples of OTC medicines or drugs that will **require a prescription** for FSA purchase or reimbursement as of Jan. 1, 2011:

- Acid controllers
- Acne medicine
- Aids for indigestion
- Allergy and sinus medicine
- Anti-diarrheal medicine
- Baby rash ointment
- Cold and flu medicine
- Eye drops
- Feminine anti-fungal or anti-itch products
- Hemorrhoid treatment
- Laxatives or stool softeners
- Lice treatments
- Motion sickness medicines
- Nasal sprays or drops
- Ointments for cuts, burns or rashes
- Pain relievers, such as aspirin or ibuprofen
- Sleep aids
- Stomach remedies

Examples of OTC supplies that may continue to be purchased with or reimbursed from an FSA **without a prescription**.*

- Bandages
- Braces and supports
- Catheters
- Condoms
- Contact lens solution and supplies
- Crutches
- Denture cleaners and adhesives
- Diagnostic tests and monitors (such as blood glucose monitors)
- Elastic bandages and wraps
- First-aid supplies
- Insulin
- Ostomy products
- Pregnancy tests
- Reading glasses
- Walkers, wheelchairs and canes

* Most major grocery, department, retail and drug stores will be able to identify at the cash register what supplies may still be purchased with an FSA debit card.



For the latest health care reform information, visit www.healthcare.gov.

How does this affect grace periods?

- ▶ OTC medicines or drugs bought prior to Jan. 1, 2011 but submitted for reimbursement after Jan. 1, 2011 do not require a prescription to be considered for reimbursement under the plan.
- ▶ The new restriction on OTC medicines or drugs began on Jan. 1, 2011 and will apply regardless of any grace periods that extend to, on or after Jan. 1, 2011.

For example:

Your plan has a grace period through March 15, 2011, so you can be reimbursed from your health care FSA for anything you bought up to that date. The grace period, however, doesn't apply to any OTC medicines or drugs you buy on or after Jan. 1, 2011, unless you have a prescription — even though the claim is for reimbursement from your remaining 2010 FSA account balance.

There will still be limits on the amount of OTC items you can be reimbursed for from your FSA. You will only be reimbursed for a reasonable quantity of an eligible OTC expense as determined by the plan administrator.

Please remember to consider these new OTC rules when estimating the dollar amount to put in your health care FSA for the next plan year.

For more information



- Visit www.healthcare.gov, the federal government's health care reform website.
- Visit www.irs.gov. The Internal Revenue Service (IRS) publishes information about FSAs and expenses.
- Your employer may limit what items are eligible for health care FSA purchase or reimbursement. Check your official benefit plan information for details about your FSA.



UnitedHealthcare Insurance Company

This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by UnitedHealthcare Insurance Company, United HealthCare Services, Inc., or their affiliates.