A Message from Christine Vo, Benefits Manager

Starting Jan. 1, 2011, the Internal Revenue Service (IRS) ruled that if you have a Health Care Flexible Spending Account (FSA), you will no longer be permitted to use your account fund to purchase most over-the-counter (OTC) drugs and medicines unless accompanied by a physician’s prescription. This change is part of the Affordable Care Act passed in 2010.

The change does not affect insulin, even if purchased without a prescription, or other health care expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles. Furthermore, these changes do not affect purchases of over-the-counter medicines and drugs in 2010, even if reimbursed after Dec. 31, 2010.

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

If you buy the medicine off the shelf you will need to submit an FSA claim form, copy of your receipt and your provider’s prescription. The prescription must include:

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

If you ask a pharmacist to fill the prescription you will need to submit an FSA claim with your receipt. Ask for a receipt that includes:

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

Examples of OTC items that will require a prescription for FSA purchase or reimbursement as of January 1, 2011:

- Acid controllers
- Acne medicine
- Aids for indigestion
- 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 items that may continue to be purchased with or reimbursed from an FSA without a prescription:

- Bandages
- Birth control
- Braces and supports
- Catheters
- 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
  - Reading glasses
- Walkers, wheelchairs and canes

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

Dual Purpose Items - Items that can be used for a medical reason or for general health purposes are considered "dual purpose" and are eligible only with a prescription, and a doctor's directive for medical necessity. Examples include:

- Dietary, Calcium, Fiber and Weight Loss Supplements
- Fiber Supplements
- Orthopedic Shoes and Inserts
- Snoring Cessation Aids
- Vitamins and Herbal Supplements

What can you do to prepare and use your money wisely?
- Stock up now: Buy OTC meds without a prescription until December 31, 2010
- Get a SINGLE script from your doctor for the problems you had last year.

How does this affect you?
- OTC medicines 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 begins on Jan. 1, 2011 and will apply on or after Jan. 1, 2011. For example: Any OTC medicines you purchase on or after Jan. 1, 2011, unless you have a prescription – even though the claim is for reimbursement from your remaining 2010 health care FSA account balance.

For more information
- Visit www.irs.gov. The Internal Revenue Service (IRS) publishes information about FSAs and eligible expenses.
- Contact UnitedHealthcare FSA Customer Service at 1-877-311-7849

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