



Office of Human Resources and Equal Opportunity

Important FSA Health Care Reform Update

December 23, 2010

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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