



GUIDELINES FOR THE USE OF FSA, HRA, and HSA FUNDS TO PURCHASE OVER THE COUNTER PRODUCTS AFTER 1/1/11

Dear Participant:

The recently enacted Patient Protection and Affordable Care Act of 2010 has changed the rules for the purchase of over the counter (OTC) products using your Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA), or Health Savings Account (HSA) pre-tax funds.

The IRS currently allows OTC medicines and drugs to be reimbursed using your FSA, HRA, or HSA dollars. However, **as of January 1, 2011:**

1. FSA, HRA, or HSA funds can **no longer be used to purchase OTC medicines and drugs** unless the medicine or drug is prescribed. A “prescription” means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

The OTC drugs and medicines affected include items in the following categories:

- Acid controllers
- Acne medications
- Allergy & sinus
- Antibiotic products
- Antifungal (Foot)
- Antiparasitic treatments
- Antiseptics & wound cleansers
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Baby rash ointments & creams
- Baby teething pain
- Cold sore remedies
- Contraceptives
- Cough, cold & flu
- Denture pain relief
- Digestive aids
- Ear care
- Eye care
- Feminine antifungal & anti-itch
- Fiber laxatives (bulk forming)
- First aid burn remedies
- Foot care treatment
- Hemorrhoidal preps
- Homeopathic remedies
- Incontinence protection & treatment products
- Laxatives (non-fiber)
- Medicated nasal sprays, drops, & inhalers
- Medicated respiratory treatments & vapor products
- Motion sickness
- Oral remedies or treatments
- Pain relief (includes aspirin)
- Skin treatments
- Sleep aids & sedatives
- Smoking deterrents
- Stomach remedies
- Unmedicated nasal sprays, drops & inhalers
- Unmedicated vapor products

2. If you have a prescription for an OTC medicine or drug, **you can use your Benny™ Prepaid Benefits Card for this purchase as long as the prescription is filled by the pharmacist with an Rx number assigned. If your OTC prescription is not filled by a pharmacist, you must pay out of pocket and submit a manual claim requesting reimbursement.**
3. You can continue to use your FSA, HRA, or HSA funds to purchase eligible OTC items that are not considered a medicine or drug (e.g. bandages, splints, contact lens solution, etc.) Please note that **insulin remains an eligible expense** with or without a prescription. **So, your Benny Prepaid Benefits Card can continue to be used for these purchases.** (Note: Some retail merchants may not remove OTC medicine and drugs from their list of eligible items until the last date allowed by the IRS – January 15. At these merchants, your card can be used to purchase OTC medicines and drugs without a prescription until they are removed from the list).
4. If you have questions about this OTC change or need more information, please contact your Plan Administrator using the phone number listed on the back of your Card.

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For more information, please contact your Flexible Benefit Team at
406-442-3539 or 866-640-3539

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