Effective 1/1/2011 Over-the-Counter drugs and medications will only be FSA eligible with a doctor's prescription. Other OTC products continue to be eligible.

In March 2010, Congress passed the Patient Protection and Affordable Care Act ("PPACA"). The new law requires a prescription for FSA reimbursement of over-the-counter medications and drugs (including Tylenol, Advil, Claritin, and cough medicines). The change takes effect on January 1, 2011.

Note: The new rule does not affect non-drug over-the-counter items or insulin, all of which are still fully reimbursable without a prescription. The non-drug over-the-counter items that continue to be reimbursable without a prescription include bandages, contact lens solution, diagnostic devices, and many others.

How do I submit my over-the-counter medicines or drugs with a prescription so that I can be reimbursed from my Health FSA after 1/1/11?

You should provide (1) a copy of the prescription; (2) a receipt or valid documentation for the over-the-counter item(s) purchased; and (3) a properly completed FSA Claim Form.

Can I use my EBPA Benefits Card to purchase over-the-counter drugs after 12/31/10?

No, the IRS has issued guidance stating plans must ensure that the FSA Cards are reprogrammed so that the card can no longer be used to purchase over-the-counter medicines or drugs beginning 1/1/11. The EBPA Benefits Card will remain available for use at all merchants for other eligible items (including non-drug over-the-counter items).

How does this change affect over-the-counter medical devices and supplies?

The new rule does not apply to items for medical care that are not medicines or drugs. Thus, medical items, supplies, and equipment that are available over-the-counter and are not drugs will continue to qualify for reimbursement without a prescription. These items include, but are not limited to, crutches, bandages, contact lens solution, diagnostic devices, and many other over- the -counter products.

I currently use my Health FSA for reimbursement of co-pays, deductibles, prescription drugs, and dental and vision expenses. Will I still be able to be reimbursed for those expenses from my Health FSA after 12/31/10?

Yes, you will still be able to be reimbursed for those expenses from your Health FSA after 12/31/10. All other eligible Health FSA expenses continue to be reimbursable. There is no change affecting prescription drugs, co-pays, deductibles, or dental or vision expenses.

Please visit our website at www.ebpabenefits.com for a sample list of FSA eligible OTC products effective 1/1/2011.

If you have any questions about what OTC expenses are eligible for reimbursement under FSA or how this change affects you, you may also contact EBPA's Customer Service at 1-888-678-3457.