



## FSA UPDATE:

# OVER-THE-COUNTER DRUGS AND MEDICINES

The federal *Patient Protection and Affordable Care Act (ACA)*, signed into law in early 2010, adopted new rules regarding the eligibility of over-the-counter drugs and medicines for Flexible Spending Account (FSA) reimbursement. New Hampshire Local Government Center (LGC) previously notified you of this change; however, recent guidance has provided the following additional clarification.

### Beginning January 1, 2011

Over-the-counter drugs and medicines are not eligible for FSA program reimbursement unless the:

- Program participant obtains a prescription for the drug or medicine.
- Prescription lists:
  - Patient's name;
  - Name, strength and quantity of drug prescribed;
  - Name, address and phone number of prescribing practitioner; and
  - Date prescription was ordered.
- Prescription is written by someone legally authorized to issue a prescription, e.g., a:
  - Licensed physician;
  - Advanced practice registered nurse; or
  - Licensed physician assistant.
- Prescription is written on physician's prescription pad or letterhead.

### Applying for FSA Reimbursement

Submit a pharmacy receipt which includes the purchaser's name, date, amount of purchase and an Rx number. Or, you may submit a copy of the related prescription with a receipt clearly identifying the purchased item (handwritten notes are not acceptable). **NOTE:** The FSA Benny™ Prepaid Benefits Card may be used for the purchase of OTC drugs and medicines as long as the prescription is filled by a pharmacist and an Rx number is assigned. Any debit card use and reimbursement of qualifying OTC products will be only to the extent permitted by applicable IRS rules in effect at the time the item is purchased.

### Eligible/Ineligible Expenses

The *ACA* does not affect reimbursement for over-the-counter supplies and equipment like band aids, crutches and contact lens solutions. An updated ***List of Eligible/Ineligible Expenses*** is available to download from the FSA section of LGC's website at [www.nhlgc.org](http://www.nhlgc.org). Contact LGC's Enrollee Services Department at **800.527.5001** or email [fsa@nhlgc.org](mailto:fsa@nhlgc.org) for more information.

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