

# Healthcare Reform Changes to Flexible Spending Accounts

The Patient Protection and Affordable Care Act of 2010 places new restrictions on reimbursement from Flexible Spending Accounts (FSAs) for over-the-counter (OTC) drugs and medications. Beginning Jan. 1, 2011, members will be required to provide a copy of a prescription from a physician in order to obtain reimbursement for these items. Many medical devices and supplies are still covered.

## Summary of the Change

The following list includes types of OTC medicines that we expect to be eligible for reimbursement only with a prescription from your doctor:

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|---------------------------|--------------------------|
| • Allergy Medicines       | • Cough Medicines        |
| • Antiseptics             | • Respiratory Treatments |
| • Sleeping Aids           | • Anti-Itch Medications  |
| • Anti-Fungal Treatments  | • Pain Relievers         |
| • Heartburn Medications   | • Antibiotic Ointments   |
| • Anti-inflammatory Drugs | • Cold Remedies          |
| • Digestive Aids          | • Stomach Remedies       |
| • Sinus Medications       | • Laxatives              |

## How does this change affect the use of my Benny™ Card?

You may continue to use your Benny Card to pay for any qualified medical, dental or vision expenses that are not payable under any other plan. Depending on the amount of the transaction, you may be required to submit an itemized receipt. Because of the physician directives requirement, debit cards linked to FSAs, such as the Benny Card, can no longer be used for OTC medications, effective Jan. 1, 2011.

**Please talk to your HR department to obtain our more itemized list, *Know Your Medical FSA Eligible and Ineligible Expenses*, or find it at [www.coresource.com/flexaccounts.htm](http://www.coresource.com/flexaccounts.htm).**

**Please note:** This material may not be construed as legal or compliance advice.

## How does this change affect OTC items that are medical devices or supplies?

You can still purchase certain non-medicinal OTC items with your Benny Card after Jan. 1, 2011, and you don't need a prescription to do so. Some of those medical devices or supplies are:

- |   |                           |
|---|---------------------------|
| • Band Aids                             | • Contact Lens Solution   |
| • Diabetic Supplies (including insulin) | • Blood Pressure Monitors |
| • Bandages                              | • Home Pregnancy Tests    |
| • Reading Glasses                       | • Crutches                |

## How does this change affect OTC medicine purchases made before Jan. 1, 2011?

You can still submit a reimbursement request for all OTC purchases made before Jan. 1, 2011, without a prescription, and you can continue to purchase OTC medications with your Benny Card through Dec. 31, 2010.

## What is required for reimbursement of OTC medications on or after Jan. 1, 2011?

You can ask your doctor for a handwritten prescription, or you can use CoreSource's letter of medical recommendation form available at [www.coresource.com/flexaccounts.htm](http://www.coresource.com/flexaccounts.htm). Once completed, simply submit it to CoreSource, along with a signed reimbursement request and the sales receipt(s) to be reimbursed. CoreSource will keep the prescription on file for 12 months.

## Planning Your Election

If you are planning for your new plan year, consider this new requirement as you plan your election. Once you make your election, you cannot change your election without a qualifying event.