



DI~~V~~ERSIFIED BENEFIT SER~~V~~ICES, INC.

Dedicated to Excellence in Benefit Management Solutions

Health Care Reform Law Changes the Reimbursement of Over-the-Counter (OTC) Drugs & Medicines from FSAs, HRAs & HSAs

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively the "Act") was signed into law on March 23rd, 2010. The "Act" requires changes to how Over-the-Counter (OTC) drugs and medicines will be reimbursed through FSAs, HRAs and HSAs.

Effective 1/1/2011, OTC drugs and medicines must be accompanied by a medical provider's prescription or letter of medical necessity (LOMN) in order to qualify for reimbursement. OTC drugs or medicines without a prescription or letter of medical necessity will not qualify for reimbursement.

OTC Drugs and Medicines affected include items in the following categories (this list is intended as a guide and should not be considered all inclusive):

- Acid Controllers
- Allergy & Sinus
- Antibiotic Products
- Anti-Diarrheals
- Anti-Gas
- Anti-Itch & Insect Bite
- Antiparasitic Treatments
- Baby Rash Ointments
- Cold Sore Remedies
- Cough, Cold & Flu
- Digestive Aids
- Feminine Anti-fungal/Anti Itch
- Hemorrhoidal Preps
- Ibuprofen
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aid & Sedatives
- Stomach Remedies

(Note: Insulin does not require a prescription or letter of medical necessity.)

Participants can continue to use their FSA, HRA and HSA dollars for items that are not considered a drug or a medicine such as for bandages, contact lens saline solutions, etc. The reimbursement procedure for these items has not changed.

The new "Act" does not affect purchases made prior to January 1, 2011. OTC drug and medicine purchases made in 2010 must be sent in for reimbursement by the end of the Plan Year run-out date. Claims for any drug and medicine purchases made after 12/31/2010 must be accompanied by a prescription to be reimbursed.

We will continue to provide updates as more information becomes available.

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