



## Flexible Spending Accounts

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## HEALTHCARE REFORM UPDATE

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### IMPORTANT NOTE REGARDING ELIGIBLE EXPENSES

The recently enacted Patient Protection and Affordable Care Act of 2010 changes the rules for the purchase of over-the-counter (OTC) products using Flexible Spending Account (FSA) pre-tax funds effective January 1, 2011. Per this new legislation, expenses incurred for a medicine or a drug shall be reimbursable only if it is a prescribed medicine or drug or is insulin. This means that FSA participants will no longer be able to use their account funds to purchase OTC drugs and medicines (e.g. Advil, ibuprofen, cough syrup). **FSA participants can continue to use their FSA funds to purchase OTC items that are not considered a drug or a medicine (e.g. bandages and reading glasses).** Retailers will be revising their list of FSA eligible items so that the FSA debit card cannot be used to purchase non-prescribed medicine or drugs after January 1, 2011.

Please be aware that further guidance is expected from the IRS. Continuon Services, LLC may need to make further revisions to this list and our other plan materials based on this guidance. Please visit [www.continuonservices.com/fsa](http://www.continuonservices.com/fsa) for the most up-to-date information.

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The following are examples of some of the OTC items that **will remain available** without a doctor's prescription and will be eligible for purchase using your Health Care FSA Debit Card at IIAS Certified Merchants:

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| ➤ Bandages              | ➤ Denture Supplies    | ➤ Insulin & Diabetic Supplies |
| ➤ Birth Control         | ➤ Diagnostic Tests    | ➤ Ostomy Supplies             |
| ➤ Braces & Supports     | ➤ Diagnostic Monitors | ➤ Reading Glasses             |
| ➤ Contact Lens Solution | ➤ First Aid Supplies  | ➤ Wheelchairs, Walkers, Canes |
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The following items will require a doctor's prescription and thus, cannot be purchased using your health care debit card (please note this list is not all inclusive and addition advice is expected from the IRS in the near future):

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|------------------------------|-------------------------|--|
| ➤ Acid Controllers           | ➤ Anti-Itch/Insect Bite | ➤ Laxatives                            |
| ➤ Allergy & Sinus Medicine   | ➤ Baby Rash Ointments   | ➤ Motion Sickness Medication           |
| ➤ Antibiotic Products        | ➤ Cold Sore Medication  | ➤ Pain Relief (i.e. Aspirin, Tylenol®) |
| ➤ Anti-Diarrheal Medications | ➤ Cough, Cold & Flu     | ➤ Respiratory Treatments/Therapies     |
| ➤ Anti-Gas                   | ➤ Digestive Aids        | ➤ Sleep Aids & Sedatives               |

You cannot be reimbursed for the purchases above using your debit card. In order to be reimbursed for the above referenced over-the-counter medications, you must first purchase the item(s) with another form of payment other than the Debit Card. The participant may then submit a manual reimbursement request for the expense. You must submit a receipt for the expense with the reimbursement request form and a doctor's prescription.

**If you have questions or need additional information, contact us at 1.877.747.4141.**

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