

Industry News

Impact of Health Care Reform on OTC

Health Care legislation will bring about many changes for many years to come. One change includes restrictions to eligible expenses under a Flexible Spending Arrangement (“FSA”).

Effective January 1, 2011, over-the-counter (“OTC”) medicines and drugs will no longer be eligible under your FSA unless you have a prescription from a licensed health care professional. OTC medicines and drugs include items such as Advil, Tylenol, allergy medicine, antacid, etc. You will now need a doctor’s prescription if you want to buy certain over-the-counter (OTC) drugs and medicines at the pharmacy or the store.

Categories of Over-the-Counter drugs and medicines no longer eligible without a prescription:

Acid Controllers	Motion Sickness	Cough, Cold & Flu
Antibiotics	Respiratory Treatments	Feminine Anti-Fungal/Anti-Itch
Anti-Gas Products	Stomach Remedies	Laxatives
Anti-Parasitic Treatments	Allergy & Sinus medicine	Pain Relievers
Cold Sore Remedies	Anti-Diarrheals	Sleep Aids & Sedatives
Digestive Aids	Anti-Itch & Insect Bite	Baby Rash Ointments/Creams
Hemorrhoidal Preps		

Items that continue to be eligible without a prescription include insulin, medical devices (crutches, blood sugar monitors, etc.), bandages, contact lens solution, and denture bond, as examples.

If your plan year runs January 1, 2010, through December 31, 2010, you should not

be affected by this change until January 1, 2011. However, if your plan year ends December 31, 2010, and the plan provides for a Grace Period (period of time after the plan year ends to incur expenses) then you will need to make sure your OTC expenses are purchased before January 1, 2011, or for any OTC medicines or drugs purchased after January 1, 2011 to be reimbursed from your FSA Account you must provide a prescription or a store receipt which includes the RX number and your name with your FSA claim.

If your plan year spans 2010 and 2011, you will need to purchase your OTC medicines and drugs before January 1, 2011, or provide a prescription or store receipt which includes the RX number and your name for expenses purchased after January 1, 2011 when you submit your claim.

Keep in mind that you will not be able to change your election so plan accordingly. If you have questions, please contact SOMI Customer Service at 651-695-2500 or 800-486-7664. You may also email SOMI at customerservice@somi.com .

Thank You

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