

The Right Balance: Look Over The Counter!

Guidelines for over-the-counter (OTC) medications and supplies for Flexible Spending Accounts (FSAs).

The Internal Revenue Service (IRS) allows FSA reimbursement for certain OTC items. To confirm whether or not an item is allowable before it's purchased, you may contact Meritain Health toll free at **1.800.748.0003** or visit www.irs.gov.

PPACA note: Beginning January 1, 2011, OTC items that contain a medication or drug will no longer be eligible for reimbursement through your FSA, without a doctor's prescription. This requirement will take place based on the date the items are purchased and not based on your plan year. In other words, starting January 1, 2011, you must first obtain a prescription for any OTC medications or drugs in order to obtain reimbursement from your FSA, regardless of when the plan year ends. OTCs that do not contain medications or drugs, will not require a prescription.

In order for the OTC medicine and/or drug to qualify as a prescription, there must be a written or electronic order that meets the legal requirements of a prescription in the state in which the medical expense is incurred, and that the prescription is issued by an individual who is legally authorized to issue a prescription in that state.

How do I know which OTCs *will* require a prescription?

OTCs that will require a doctor's prescription include, but are not limited to the following:

- Acid controllers
- Allergy and sinus
- Antibiotic products
- Anti-diarrheals
- Anti-gas
- Anti-itch and insect bite
- Antiparasitic treatments
- Aspirin, ibuprofen, pain relief
- Baby rash ointments/creams
- Bandages that contain antibiotic ointment
- Cold sore remedies
- Cough, cold and flu
- Digestive aids
- Hemorrhoidal preps
- Laxatives
- Motion sickness
- Respiratory treatments
- Sleep aids and sedatives
- Stomach remedies

Please note: *the above list contains examples of certain items, and should not be considered as a full listing.*

Here are some helpful tips:

- If you have a prescription for an OTC medicine or drug, you must pay out of pocket at the point of sale and then submit a manual claim requesting reimbursement. The manual claim must include a doctor's prescription. Beginning January 1, 2011, you will not be able to use your debit card to purchase these items.
- You can continue to use your FSA funds to purchase OTC items that do not contain a medicine or drug (for example: bandages without antibiotic ointments, splints, cold/hot packs, rubbing alcohol, thermometers, etc.). Therefore, you may continue to use your debit card for these purchases.
- Insulin may continue to be reimbursed with or without a prescription.
- FSA balances are "use or lose", so remember to consider these new OTC regulations when estimating the dollar amount that you put in your FSA for the next plan year.

FSA Reimbursement Made Easy!

The IRS requires proof that you received medical services before claims can be reimbursed by your Flexible Spending Account (FSA). Follow these guidelines to receive prompt payment:

Submit a completed and signed FSA claim form with these attachments...

A copy of the Explanation of Benefits (EOB). All claims must be submitted to your insurance company or healthcare plan before you request FSA reimbursement.

Estimates for services that haven't been received can't be accepted.

OR

A receipt for copays

- Your office visit copay receipt must show the amount paid and the date of service.
- Your prescription drug copay receipt must show the name of the drug, amount paid, the date of purchase and the name of the patient.

Credit card receipts, cancelled checks, or cash register receipts can't be accepted for copays.

OR

Over-the-counter (OTC) items.

- Itemized cash register receipts are acceptable for OTC items/supplies that do not contain a medicine or drug.
- Effective January 1, 2011, if the OTC item contains a medicine or drug, you will need to submit a cash register receipt as well as a **doctor's prescription**.
- A customer receipt issued by a pharmacy which identifies the name of the purchaser (or the name of the person to whom the prescription applies), the date and amount of the purchase and an Rx number.

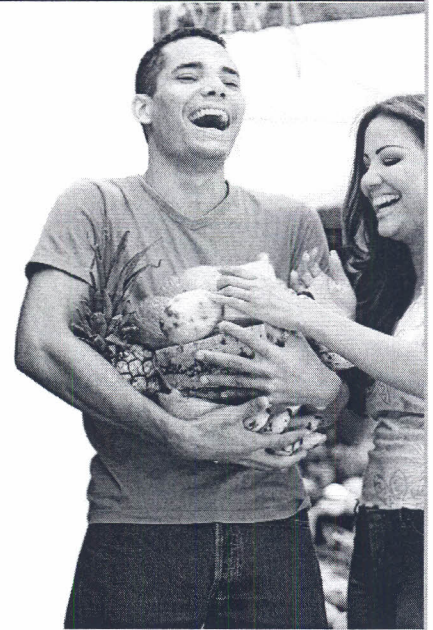
OR

An itemized statement from your healthcare provider if you don't have insurance coverage (for example, for dental or vision services).

Special note on orthodontic care.

Submit a copy of the service agreement or contract with your first FSA claim. For future claims, submit a copy of your payment coupon or itemized bill with your completed claim form. An EOB isn't required, even if you have dental insurance.

Questions? Contact customer service toll free at 1.800.748.0003.



Claim submission.

Mail FSA claim forms and attachments to:

**Meritain Health
P.O. Box 30111
Lansing, MI 48909**

Or fax to:

1.888.837.3725

Prescriptions for OTCs.

In order to obtain FSA reimbursement for OTCs that contain a medicine or drug, you must first obtain a prescription from your doctor.

Make sure the OTC prescription includes the following:

- Patient name
- Name of the OTC item
- Date prescribed (the prescription will be valid for one year from this date)