

New IRS requirement that affects over-the-counter (OTC) medicines with regard to flexible spending accounts

The Patient Protection and Affordable Care Act and the Healthcare and Education Reconciliation Act of 2010 were signed into law on March 23, 2010.

One of the provisions in the law affects over-the-counter medicines and supplies (OTC) in relation to how they are reimbursed from flexible spending plans. Effective January 1, 2011 it is required that reimbursement requests for OTC drugs and medicines be accompanied by a physician's prescription in order to be reimbursed under flexible spending accounts (FSA's).

OTC drugs and medicines will continue to be eligible for reimbursement from these benefits plans as long as the reimbursement request is accompanied by a doctor's prescription.

Pain relievers (Tylenol, Advil, etc.), allergy or sinus medications, cough or cold or flu medicines, laxatives, sleep aids, digestive aids, stomach remedies, anti-itch or bite ointments, diaper rash ointments, cold sore remedies, etc. will require a doctor's prescription and receipt with the claim form.

Over-the-counter expenses that continue to be eligible for reimbursement without a prescription include diabetes supplies, contact lens cleaners and solutions, blood pressure kits, first aid supplies, dressings, incontinence products, denture products, splints, brace supports, ostomy products, smoking deterrents and hearing aid batteries.