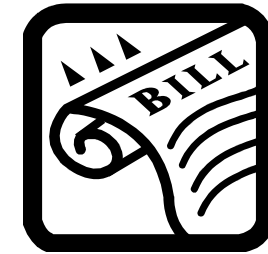




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Health Care Bill Impacts OTC Drugs & Medicines

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law.

Some aspects of this health care reform legislation will have a significant impact on your Health Flexible Spending Account (Health FSA).

Most notable, **beginning on January 1, 2011, your Health FSA can no longer reimburse over-the-counter (OTC) drugs or medicines (with the exception of insulin) without a prescription from a physician.**

In the past, participants have been able to use these accounts to pay for OTC supplies items such as: pain relievers, cold and flu remedies, allergy medicines, antacids and more. The new bill excludes OTC drugs and medicines (except insulin) from eligibility for pre-tax reimbursement unless there is a prescription from a physician.

- The bill does not exclude OTC supplies that are for medical care but not considered drugs or medicines. Medical supplies which are non-medicinal such as: contact lens solution, bandages, and other first aid items will continue to be reimbursable.
- Claims for OTC drugs or medicines can be submitted for reimbursement through the end of the plan year, including the claim run-out period.
- The FSA Benefits Card cannot be used to purchase any OTC drugs or medicines after midnight on December 31, 2010.

It is important that you do not consider OTC drugs and medicines when determining your 2011 plan year election.

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