

Important News about over-the-counter medicines

New Federal Regulations and Restrictions

As of January 1, 2011, most over-the-counter (OTC) medicines are no longer eligible for spending account reimbursement without a prescription from a medical provider. These changes are required by federal healthcare reform legislation passed in March 2010.

- Items such as cough medicines, pain relievers, allergy medicines, acid controllers, and diaper rash ointments no longer qualify for reimbursement unless accompanied by a doctor's prescription and Reimbursement Request form.
- The new regulation applies to when the expense was incurred, not when the claim was submitted.
- OTC expenses incurred on or after January 1, 2011 require a doctor's prescription; no prescription is required for expenses incurred prior to January 1, 2011.
- The change applies to the tax year (calendar year) beginning 2011, not your FSA or HRA plan year. For example, if your company's plan year begins on June 1, the change is still effective January 1, 2011.
- For more information, please see the OTC Frequently Asked Questions document on our Web site: www.manleyserv.com/pdfs/OTC_FAQ.pdf
- **After January 15, 2011**, the Benny™ Card* may continue to be used to purchase OTC medicines or drugs at drug stores, pharmacies, mail order, and Web-based vendors if: (1) you have a prescription, (2) it is dispensed by a pharmacist, and (3) an Rx number is assigned. These Benny™ Card transactions will be considered fully substantiated at the time and point-of-sale.**

Items eligible for reimbursement without a prescription

The following is a list of sample OTC items that qualify for reimbursement without a doctor's prescription, and are eligible to be purchased with your Benny™ Prepaid Benefits Card:

- Band Aids
- Birth control
- Braces and supports
- Catheters
- Contact lens supplies and solutions
- Denture adhesives
- Diagnostic tests and monitors
- Elastic bandages and wraps
- First aid supplies
- Insulin and diabetic supplies
- Ostomy products
- Reading glasses
- Wheelchairs, walkers, canes

Items that require a doctor's prescription for reimbursement

Though the specific list of items affected has not been finalized, the following categories of items require a doctor's prescription:

- Acid controllers
- Allergy and sinus
- Antibiotic products
- Anti-diarrheals
- Anti-gas
- Anti-itch and insect bite
- Anti-parasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold and flu medicines
- Digestive aids
- Feminine anti-fungal/anti-itch
- Hemorrhoidal preps
- Laxatives
- Motion sickness medicine
- Pain relievers
- Respiratory treatments
- Sleep aids and sedatives
- Stomach remedies

If you have any questions, you are welcome to contact us at 800.422.7038.

* The Benny™ Card is an optional feature. Your employer may not have chosen this option.

** Other guidelines apply. See IRS notices [2010-59](#) and [2011-05](#) for full details.