

Important Information About Your

Prepaid Benefits Card

GUIDELINES FOR THE USE OF MEDFLEX FSA FUNDS TO PURCHASE OVER THE COUNTER PRODUCTS AFTER 1/1/11

The recently enacted Patient Protection and Affordable Care Act of 2010 changed the rules for the purchase of over the counter (OTC) products using your MEDFLEX Flexible Spending Account (FSA) pre-tax funds.

The IRS currently allows OTC medicines and drugs to be reimbursed using your FSA dollars. However, **as of January 1, 2011:**

1. FSA funds can **no longer be used to purchase OTC medicines and drugs** unless the medicine or drug is prescribed. A “prescription” means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

The OTC drugs and medicines affected include items in the following categories:

- Acid controllers
- Acne medications
- Allergy & sinus
- Antibiotic products
- Antifungal (Foot)
- Antiparasitic treatments
- Antiseptics & wound cleansers
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Baby rash ointments & creams
- Baby teething pain
- Cold sore remedies
- Contraceptives
- Cough, cold & flu
- Denture pain relief
- Digestive aids
- Ear care
- Eye care
- Feminine antifungal & anti-itch
- Fiber laxatives (bulk forming)
- First aid burn remedies
- Foot care treatment
- Hemorrhoidal preps
- Homeopathic remedies
- Incontinence protection & treatment products
- Laxatives (non-fiber)
- Medicated nasal sprays, drops, & inhalers
- Medicated respiratory treatments & vapor products
- Motion sickness
- Oral remedies or treatments
- Pain relief (includes aspirin)
- Skin treatments
- Sleep aids & sedatives
- Smoking deterrents
- Stomach remedies
- Unmedicated nasal sprays, drops & inhalers
- Unmedicated vapor products

2. If you have a prescription for an OTC medicine or drug, **you can use your PBS Prepaid Benefits Card for this purchase as long as the prescription is filled by the pharmacist with an Rx number assigned. If your OTC prescription is not filled by a pharmacist, you must pay out of pocket and submit a manual claim requesting reimbursement.**
3. You can continue to use your MEDFLEX FSA funds to purchase eligible OTC items that are not considered a medicine or drug (e.g. bandages, splints, contact lens solution, etc.) Please note that **insulin remains an eligible expense** with or without a prescription. **So, your PBS Prepaid Benefits Card can continue to be used for these purchases.** (Note: Some retail merchants may not remove OTC medicine and drugs from their list of eligible items until the last date allowed by the IRS – January 15. At these merchants, your card can be used to purchase OTC medicines and drugs without a prescription until they are removed from the list).
4. If you have questions about this OTC change or need more information, please contact:
Progressive Benefit Services (PBS) at 1-866-906-8023