



OVER THE COUNTER DRUGS

What are over the counter drugs and medicines?

Drugs and medicines that people can buy without a doctor's prescription and that do not require a pharmacist are called over-the-counter drugs and medicines. However, for health care reform, some of these over-the-counter drugs and medicines will require a prescription for reimbursement from health saving and spending accounts. Some examples are acid controllers, allergy and sinus medication, pain relievers and stomach remedies.

Some over-the-counter items like insulin, bandages, medical supplies and vision care supplies are still eligible for reimbursement without a prescription.

Is an official prescription required, or may a doctor provide another form of documentation, such as a note of medical necessity?

The Internal Revenue Service in Notice 2010-59 says that a prescription is a written or electronic order for a medicine or drug that meets the state's legal requirements in which the medical expense is paid and issued by a person legally authorized to issue prescriptions.

What effect does health care reform have on what people can buy with their flexible spending accounts, health reimbursement arrangements and health savings accounts?

Purchases of most over-the-counter drugs on or after January 1, 2011 require a prescription for reimbursement from flexible spending accounts, health reimbursement accounts and health savings accounts.

Unlike flexible spending accounts and health reimbursement accounts, Cigna does not validate health savings accounts purchases. People are responsible to use the account only for eligible expenses, and prescriptions and receipts are needed when they complete federal income taxes. In the event of an audit, the Internal Revenue Service will require the documents. The PPACA affects only over-the-counter drugs. Individuals may continue to buy eligible over-the-counter items without a prescription, such as insulin, bandages and medical supplies.

Which types of accounts are affected by new rules for eligible over-the-counter drug expenses?

Purchases of most over-the-counter drugs require a prescription for reimbursement. Reform affects all flexible spending accounts and health reimbursement arrangements which cover 213(d) expenses, and health savings accounts. The PPACA will affect flexible spending accounts the most. FSA debit cards can no longer buy over-the-counter drugs or medicines.