

The New Scoop on Over-the-counter Drugs in 2011.

The restriction on over-the-counter drug reimbursement in 2011 has been interpreted a number of ways since its introduction in 2010's health care reform legislation. Now that the rules have been solidified, we recommend you review this flyer for further clarification of how we will handle over-the-counter drugs in 2011.

■ A Brief Overview

In March, 2010, President Obama signed comprehensive health care reform legislation into law. One of the legislation's many provisions takes effect January 1, 2011, and requires that you have a prescription for over-the-counter (OTC) drugs in order to have them reimbursed by your BESTflexSM Plan Health Care Flexible Spending Account (FSA) or EBC HRASM account.

■ Getting Reimbursed for OTC Drugs

OTC drugs will be treated the same as prescription drugs in terms of reimbursement. While you will not need a prescription to *purchase* the OTC drug, you will need a prescription to be *reimbursed* for it.

How to submit claims for OTC drugs

You have two options for submitting claims for OTC drugs in 2011.

1. Have the OTC drug filled by a pharmacist and submit the pharmacy receipt with a Claim Form
2. Submit the doctor's prescription and the receipt for the OTC drug purchase with a Claim Form

Doctor's prescriptions must include the patient name, medication name, dosage, number of refills, directions for use and any other state law requirements.

■ Planning for 2011

■ BESTflex Plan Health Care FSA

How can I prepare for this change?

- Secure a doctor's prescription for each of the OTC drugs you currently purchase. This will allow you to receive continued reimbursement for your OTC drugs in 2011.

- Plan your future Health Care FSA elections with this change in mind, and manage your existing Health Care FSA balance so you do not forfeit unused funds that would have otherwise gone toward OTC drugs.

What will happen at the end of my current plan year, when I submit claims for the expenses I purchased during the plan year (known as the runout period)?

Any OTC drug you purchased before January 1, 2011 will not require a prescription for reimbursement. This same rule applies to claims you submit for OTC drugs during the runout period, even if the runout period falls in 2011.

■ EBC HRA

What can I do to prepare for this change?

- Secure a doctor's prescription for each of the OTC drugs you currently purchase. This will allow you to receive continued reimbursement for your OTC drugs in 2011.
- If you cannot secure a prescription for the OTC drugs you purchase, purchase your OTC drugs by December 31, 2010. You will not be required to provide a prescription in order to receive reimbursement for the drug if you purchase it by December 31, 2010.

This will help you continue to save money on OTC drugs as the restriction takes effect.

What will happen at the end of my current plan year, when I submit claims for the expenses I purchased during the plan year (known as the runout period)?

Any OTC drug you purchased before January 1, 2011 will not require a prescription for reimbursement. This same rule applies to claims you submit for OTC drugs during the runout period, even if the runout period falls in 2011.

■ BennyTM Benefits Card

How does this change affect card use?

Since OTC drugs will require that you provide a doctor's prescription in order to receive reimbursement for them, you will not be able to use BennyTM to pay for OTC drugs. You must pay for the OTC drug with cash at the point of sale and submit a manual claim to be reimbursed for the expense.

■ Many OTC Medical Items Are Unaffected

You can continue to be reimbursed **and use BennyTM** as usual for OTC medical items that are **not** a drug or medicine, such as contact lens solution, bandages, ice packs, heating pads, braces, and durable medical equipment. Insulin and diabetic supplies will also remain eligible without a prescription.

Supplements that the IRS has approved for reimbursement will continue to be reimbursable without a prescription. These items include glucosamine, chondroitin, bulk laxatives and prenatal vitamins.

All other supplements will require a letter of medical necessity. A letter of medical necessity is different from a prescription. It shows that the supplement is being used to treat a specific medical condition and is not personal in nature. It must be issued and signed by anyone who practices any type of medicine (i.e., chiropractor, nutritionist, acupuncturist, homeopathic doctor, etc.).

See page 2 for a listing of some affected OTC expenses.

OTC drugs that will require a prescription for reimbursement:

Acid Controllers	Feminine Anti-Fungal/Anti-Itch
Allergy and Sinus	Hemorrhoidal Medications
Antibiotic products	Laxatives
Anti-Diarrheals	Motion Sickness
Anti-Gas	Nicotine Gum & Patches
Anti-Itch and	Pain Relief
Insect Bite	Prilosec
Anti-parasitic Treatments	Respiratory Treatments
Baby Rash Ointments/Creams	Sleep Aids & Sedatives
Cold Sore Remedies	Stomach Remedies
Cough, Cold & Flu	Zyrtec
Digestive Aids	

OTC medical expenses that will not require a prescription for reimbursement:

Ankle Braces	Insulin
Bandages	Pregnancy Tests
Canes & Walkers	Prenatal Vitamins
Contact Lens Solution	Reading Glasses
Durable Medical Equipment	Thermometers
Heating Pads	Wrist Supports
Ice Packs	

Supplements that require a letter of medical necessity for reimbursement:

Biotin	Fish Oils
Calcium	Melatonin
Chromium	St. John's Wort
CoQ10	Valerian
Cranberry Supplements	Vitamins
Echinacea	Yeast

Please contact Employee Benefits Corporation's Participant Services team at **800 346 2126** if you have any questions about the restriction on OTC medicines.