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 Tax Saver Benefit Flexible Spending Account.

Most notable, **beginning on January 1, 2011, your TSB Flexible Spending Account 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 TSB Flex 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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