



**SIGIS – Special Interest Group
for IAS Standards**

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FOR IMMEDIATE RELEASE

SIGIS PREPARES TO MODIFY QUALIFIED ITEMS LIST IN RESPONSE TO HEALTH CARE REFORM

SAN RAMON, Calif. – April 20, 2010 – The health care reform legislation signed into law by the President last month impacts over the counter (OTC) purchases with Health Care Flexible Spending Accounts, Health Reimbursement Arrangements and Health Savings Accounts beginning in January of 2011.

OTC drugs medicines and biologicals remain eligible with a directive from a provider. SIGIS will be updating the Eligible products criteria to reflect movement of these items from the “Eligible” to “Dual Purpose” category. NOTE: Because these items now require a doctor’s directive, these items can no longer be auto-substantiated with an IAS.

The customer or participant may still be able to receive reimbursement for the item using their Health FSA, HRA or HSA; however they must obtain a letter of medical necessity from their provider in order to be able to submit it as eligible under their plan.

This has significant implications for SIGIS as an organization.

- Over-the-counter medicines, drugs and biological treatments are about 35 percent of the current SIGIS list. Effective January 1st, 2011, the affected items would be deleted from the list of eligible items. It is important to note that not all items on the SIGIS eligible items list would be affected. Only those items that represent drugs, medicines and biologicals require a provider’s directive. The items affected include items in the following categories:
 - Acid Controllars
 - Allergy & Sinus
 - Antibiotic Products
 - Anti-Diarrheals
 - Anti-Gas
 - Anti-Itch & Insect Bite
 - Antiparasitic Treatments
 - Baby Rash
 - Ointments/Creams
 - Cold Sore Remedies
 - Cough, Cold & Flu
 - Digestive Aids
 - Feminine Anti-Fungal/Anti-Itch
 - Hemorrhoidal Preps
 - Laxatives
 - Motion Sickness
 - Pain Relief
 - Respiratory Treatments
 - Sleep Aids & Sedatives
 - Stomach Remedies
- The change will also impact 90 percent merchants, in that the calculation for who meets the 90 percent exception would be based on the new definition of eligible expenses, which will exclude products in the above categories because they are only eligible to the extent the provider directs their use.

The List Review and Management Committees will be establishing a detailed project plan and timeline for the implementation of these changes and will communicate with SIGIS members in the coming months.



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