

JANUARY  
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# Patient Protection and Affordable Care Act (PPACA) What you need to know...



**As a consumer with an FSA or HRA debit card, it is important that you understand how the Patient Protection and Affordable Care Act (PPACA) may impact you.**

## What has changed:

Expenses for OTC drugs or medicines (other than insulin) incurred on or after January 1, 2011 will only be considered "medical care" for IRS purposes if they are "prescribed".

Note: Under the new OTC Rules, "prescribed" means an electronic or written order 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 authorized to issue a prescription in that state.

## What remains same:

OTC medical supplies and equipment such as contact lens solutions, bandages, crutches, durable medical equipment or diagnostic devices, such as blood sugar test kits may continue to be purchased with the current SIGIS IIAS process.

## Impact for consumers shopping at 90% of merchants:

Customers must turn in the actual prescription for OTC drugs and medicines to their plan administrator with their store receipt unless the receipt contains a prescription number.

*Please check with your plan administrator for additional requirements.*

## How can I use my FSA funds for Prescribed OTC Medicines and Drugs?

The IRS guidance provides for two methods for consumers to access FSA Funds:

- ▶ Consumers can use another form of payment for purchase then submit the items for manual reimbursement with their plan administrator. Consumers will need to submit either a) receipt showing the date with amount of purchase and a copy of the prescription or b) a receipt that includes prescription number, patient name, date and amount.



## Effective January 2011

### Eligible Products List Changes for IIAS Merchants

#### Categories No Longer Eligible without a Prescription:

Acid Controllers	Allergy & Sinus medicine
Antibiotics	Anti-Diarrheals
Anti-Gas Products	Anti-Itch & Insect Bite
Anti-Parasitic Treatments	Baby Rash Ointments/Creams
Cold Sore Remedies	Cough, Cold & Flu
Digestive Aids	Epsom Salts
Feminine Anti-Fungal/Anti-Itch	Hemorrhoidal Preps
Homeopathic Remedies	Laxatives
Mineral Oils	Motion Sickness
Pain Relievers	Respiratory Treatments
Sleep Aids & Sedatives	Stomach Remedies

#### Categories Still Eligible:

Examples of OTC items to remain available without a doctor's prescription:

Band Aids	Elastic Bandages & Wraps
Birth Control (limited)	First Aid Supplies
Braces & Supports	Insulin & Diabetic Supplies
Catheters	Ostomy Products
Contact Lens Supplies & Solutions	Reading Glasses
Denture Adhesives	Wheelchairs, Walkers, Canes
Diagnostic Tests & Monitors	

- ▶ Consumers can use their FSA card for payment at an IIAS merchant that supports IRS Notices 2010-59 and 2011-05 regulatory requirements by presenting the prescription to the pharmacist and having the pharmacist dispense the OTC drug or medicine in accordance with applicable law and regulations by which an Rx Number is generated and processed.

Consumers should check with their plan administrator and merchant to find out what options are supported.

## Reminders on card declines



Historically, January is the month where there has been a significant increase in card declines due to the start of a new plan year for many card holders. Here are some things you can do to help avoid card declines:

- ▶ If you received new cards, be sure to remove the old ones from your wallet.
- ▶ Make sure your new cards have been properly activated before use.
- ▶ Check to see that funds for the new year have been loaded.
- ▶ If you are experiencing issues, call the number on the back of the card.

## Frequently asked questions:

**How does the new rule impact homeopathics, prenatal vitamins, glucosamine chondroitin and lice treatments?**

Homeopathic and lice treatments are considered "OTC Medicines and Drugs" by the Food and Drug Administration and thus, have been removed from the list. However, prenatal vitamins and glucosamine chondroitin are considered supplements and/or other items that treat a special medical condition. As such, they will remain on the list after January 1, 2011.

## Where should I go with my questions?

Please contact the Plan Administrator or Third Party Administrator (TPA) listed on the back of your card with your questions regarding what's covered. Consumers can also check <http://www.sig-is.org/en/resources/ppaca.asp> for general information.

## What SIGIS does:

SIGIS was organized to develop an industry based solution to IRS guidelines for the acceptance of FSA, HRA and HSA spending account cards.

SIGIS develops standards and provides member education (i.e. IIAS certification program, 90% Registration).

SIGIS does not process card transactions or research card declines. Those are the responsibilities of our merchant, acquirer, card network, card issuer and third party administrator members.

SIGIS has no control over plan administrators. The decision on where cards can be used is between a program sponsoring employer and the plan administrator.



Special Interest Group for IIAS Standards  
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