

IMPORTANT UPDATED INFORMATION ABOUT YOUR SPENDING ACCOUNT DEBIT CARD

The IRS recently issued [IRS Notice 2011-5](#), which clarifies the use of healthcare FSA and HRA debit cards to purchase over-the-counter (OTC) medications. These medications require a prescription after January 15, 2011. Health debit cards may continue to be used to purchase OTC medications, providing the purchase meets certain eligibility requirements.

1. Prior to purchase, the prescription for the OTC medicine or drug must be presented to the pharmacist;
2. The OTC medicine or drug must be dispensed by the pharmacist in accordance with the applicable laws and regulations pertaining to the practice of pharmacy in that state;
3. A prescription (Rx) number must be assigned;
4. In accordance with IRS record keeping requirements, the pharmacy or vendor must retain a record of the Rx number, the name of the purchase or the person to whom the prescription applies, the date and amount of the purchase;
5. All of these records must be available to the employer or its agent upon request

If these requirements are met, you may purchase OTC medications with a prescription using your spending account debit card as you previously have. Your card will work because the medication, after being filled by the pharmacist, is being purchased as a prescription, not as an over-the-counter product.