

Changes to Over-the-Counter Purchases Coming January 2011

A change is coming in what will be needed for substantiating your over-the-counter (OTC) medicine and drug purchases. The IRS changed the rules which will impact what you need to provide for documentation when requesting reimbursement for OTC medicine and drugs purchases.

What is changing?

You will be asked to submit proof of a doctor's prescription for OTC medicine and drug purchases. Documentation can be either of the following:

- 1) A receipt that identifies the purchaser along with an RX number; **or**
- 2) A receipt showing the item purchased along with a copy of the prescription.

When does this start?

The rule goes into effect January 1, 2011. It is the actual purchase date of the expense that will determine whether or not a prescription is required.

Purchase date up through December 31, 2010: No prescription is required

Purchase date January 1, 2011 or later: Prescription is required

Can I still use my debit card?

Debit cards may no longer be used to purchase OTC medicines and drugs at IAS merchants. You will need to use another form of payment at these locations and submit the expense via online, fax or mail. Debit cards may continue to be used for the payment of other OTC items not classified as medicines and drugs. Over 27,000 OTC items remain on the list for purchase without a prescription and that may be purchased using a debit card at IAS merchants without the need for further substantiation.

Pharmacies that did not install IAS and instead fall under the IRS 90-percent test will still be able to accept your debit card for OTC medicine and drug purchases. You will be asked to provide proof of the prescription with your documentation for the OTC medicine and drug purchase after the fact.

The difference in how IAS and 90% pharmacies are treated means your debit card will work at some pharmacies and not at others when purchasing OTC medicines and drugs. You can view the latest list of IAS and 90% merchants at www.discoverybenefits.com/ias.

Below are examples of items that will require a prescription and what items remain eligible for purchase without a prescription.

Requires a doctor's prescription:

Acid Controllars	Baby Rash Ointments/Creams	Motion Sickness
Allergy & Sinus	Cold Sore Remedies	Pain Relief
Antibiotic Products	Cough, Cold & Flu	Respiratory Treatments
Anti-Diarrheals	Digestive Aids	Sleep aids/Sedatives
Anti-Gas	Feminine Anti-Fungal/Anti-Itch	Stomach Remedies
Anti-Itch & Insect Bite	Hemorrhoidal Preps	
Antiparasitic Treatments	Laxatives	

Does not require a doctor's prescription:

Acne Creams	Denture Adhesives	Infant Electrolytes & Dehydration Solutions
Anti-Fungal (foot)	Diabetic Testing & Aids	Infant Teething Pain Supplies
Antiseptic & Wound Cleansers	Diagnostic Tests & Monitors	Insulin & Diabetic Supplies
Athletic Treatments	Elastic Bandages & Wraps	Ostomy Products
Band-Aids	Eye Care & Contact Lens Supplies	Reading Glasses
Birth Control & Contraceptives	Family Planning Kits	Wheelchairs, Walkers & Canes
Braces & Supports	Fiber Laxatives	
Catheters	First Aid Supplies	

Please contact Participant Services at 866-451-3399 or email customerservice@discoverybenefits.com if you have questions.