

# OVER-THE-COUNTER DRUGS/MEDICINES

The CARES Act includes a provision that allows members to use health account funds to pay for over-the-counter (OTC) medications without needing a prescription.

## What does this mean for you?

- Managed Healthcare Executive Magazine estimates the average American spends \$442 annually on over-the-counter medication. By using FSA, HSA, or HRA funds to pay for these medications, members can then use their regular income to pay for other necessities.
- Claims reimbursement - Members can submit claims for menstrual care products and OTC drugs without a doctor's prescription. The date of purchase must be after December 31, 2019.
- Card purchases - Health care debit card use for OTC drugs without a prescription and menstrual products is dependent on the updated eligible product list managed by the Special Interest Group for IAS Standards (SIGIS), then merchants updating their systems. In the interim, members will need to submit manual claims with the proper documentation.

## Frequently asked questions (FAQ)

### **Q: What are over-the-counter medications?**

**A:** Over-the-counter (OTC) drugs are medicines that can be purchased without a doctor's or other healthcare professional's prescription.

### **Q: How does the CARES Act impact over-the-counter medication?**

**A:** Previously, a member could not use health account funds to pay for over-the-counter medication unless they first received a prescription from a healthcare professional. The CARES Act now allows members to use health account funds to pay for over-the-counter medication without needing a prescription.

### **Q: When do the new over-the-counter medication provisions start and how long will they last?**

**A:** The changes are retroactive to January 1, 2020. There is no listed expiration date on the provision, meaning the change is likely permanent.

### **Q: Which health accounts are impacted by this new change?**

**A:** The new rules apply to health savings accounts (HSAs), flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs).\*

*\*FSA and HRA plans vary by employer, and these changes do not necessarily change the benefits under your employer's plan.*

### **Q: Can I submit claims now for OTC medication?**

**A:** Yes. Our claims team can accept manual OTC claims incurred on or after January 1, 2020 without a prescription (in the case of an HSA, they apply to amounts paid on or after January 1, 2020).

**Please note:** *Our websites and member portals have not yet been updated, so you may not find these products on eligible expense lists at this time.*

**Q: Will prior denied claims that are now eligible be reprocessed automatically?**

**A:** Prior denied claims will not be re-processed automatically, but you can resubmit a claim for a newly eligible product that was previously denied, as long as the expense was incurred on or after January 1 and not reimbursed under another plan or program.

**Note:** Claims for OTC medication purchased before January 1, 2020 still require a prescription.

**Q: Can members use their health debit cards now to purchase OTC medication?**

**A:** The industry is working as quickly as possible to ensure you're able to do so. The organization that manages the nationwide Eligible Products list used by stores and websites has updated its list to include OTC drugs and medicines and menstrual care products.

Merchants like [HSA Store](#) and [FSA Store](#) have loaded the list and have a number of eligible products available for sale on their website. Once other merchants upload the list, cards and other applicable payment methods will allow for auto-substantiation at the point of sale in most cases. You can also pay out-of-pocket and submit receipts for reimbursement.

**Effective**

January 1, 2020

**Expires**

No expiration date

**Impacted accounts**

HSAs, FSAs, and HRAs

**Applicable products**

Pain relievers, cough syrup and more