



September 3, 2010

OTC Guidance Released

The Affordable Care Act provides that the cost of an over-the-counter medicine or drug cannot be reimbursed from a health FSA or HRA unless a prescription is obtained. This new rule applies only to purchases made on or after January 1, 2011. Moments ago, the IRS released Notice 2010-59, which provides guidance regarding how this new rule will operate. A link to the guidance is appended below, and we will have additional details regarding the guidance next week.

<http://www.irs.gov/pub/irs-drop/n-10-59.pdf>