



Change to FSA and HRA debit card requirements

The Internal Revenue Service recently announced that Flexible Spending Account and Health Reimbursement Account debit cards may now be used to purchase prescribed over-the-counter drugs at qualifying drug stores and pharmacies, from non-health care merchants that have pharmacies, and from mail order and web-based vendors if all of the following requirements are met:

- The prescription is presented to the pharmacist prior to purchase;
- The prescription drug vendor retains a record of the prescription number, the name of the purchaser (or the name of the person for whom the prescription applies), and the date;
- The purchased OTC medication is dispensed according to applicable laws and regulations pertaining to the practice of pharmacy;
- A prescription number is assigned. *Please note that the debit card system will not accept a charge for an OTC medication unless a prescription number has been assigned;*
- Records of the sale are maintained by the pharmacy or other vendor (i.e., prescription number, name of purchaser, date, amount of the purchase) and must be made available upon request.

If these requirements are satisfied, the debit card transaction will be considered fully substantiated at the time and point of sale. *Debit cards may not be used to purchase OTC medicines and drugs at businesses that do not meet the above requirements, such as convenience or grocery stores that do not have a pharmacy.*

Please note that these requirements apply only to OTC medications.

Currently, only Walgreens is in compliance with these requirements. As soon as we learn of additional pharmacies that qualify, we will provide you with an updated list.

For more information regarding this notice, please visit the [Internal Revenue Service \(IRS\) website](#).

