

OVER-THE-COUNTER (OTC) DRUGS

Guidelines for Healthcare Flexible Spending Account Reimbursement

IRS Revenue Ruling 2003-102 (Sept. 3, 2003) will allow a health FSA to reimburse medicines and drugs that are available without a prescription if certain requirements are met. Following are the guidelines to be used for determining reimbursement of an over-the-counter item. These lists are *not* all-inclusive.

MEDICAL ONLY LIST

Items used solely or primarily for medical care purchased in reasonable quantities. Substantiate with a receipt that states the name of the medicine, drug or item, the date purchased, and the amount paid.

- Allergy medicine
- Antacids
- Anti-diarrhea medicine
- Any medication that was previously a prescription
- Bandages
- Band-aids
- Calamine lotion, bug bite medicine
- Carpal tunnel wrist supports
- Cold medicine
- Cold/hot packs for injuries
- Colostomy supplies
- Condoms
- Contact lens solutions
- Cough drops
- Crutches
- Diabetic supplies
- Diaper rash ointment
- Eye drops
- First aid cream
- First aid kits
- Gauze pads
- Hemorrhoid treatments
- Hydrogen peroxide
- Incontinence supplies
- Laxatives
- Liquid adhesive for small cuts
- Menstrual cycle medication
- Motion sickness medication
- Nasal sprays
- Nasal strips
- Nicotine gum
- Nicotine patch
- Ointments/creams for muscles and joints
- Pain relievers
- Pedialyte
- Poison ivy or other skin rash treatments
- Pregnancy test kits
- Reading glasses
- Rubbing alcohol
- Sinus medicine
- Sleep aids
- Spermicidal foam
- Sunburn, special creams (not suntan lotion)
- Thermometers
- Throat lozenges
- Visine
- Wart remover

DUAL PURPOSE LIST

Items that will be reimbursed with a medical practitioners note stating the specific medical condition, the OTC drug is recommended to treat it, and that the treatment is not a cosmetic procedure.

- Acne treatment
- Chondroitin
- Feminine hygiene products
- Fiber supplements
- Glucosamine
- Orthopedic shoes and inserts
- OTC Hormone therapy
- OTC menopause treatment
- Prenatal vitamins
- St. John's Wort
- Sunscreen
- Vitamins/Supplements
- Weight loss drugs
- Weight loss programs (not food)

EXCLUDED ITEMS

Items that are toiletries or cosmetics and are primarily for general health and well being

- Chapstick
- Deodorants
- Ensure
- Eye makeup
- Face cream
- Facial makeup
- Fingernail polish
- Hair color
- Hand lotions
- Lipsticks
- Perfumes
- Permanent waves
- Shampoos (including medicated)
- Shaving cream
- Shaving lotion
- Skin moisturizers
- Suntan lotion
- Toothbrush (including electric)
- Toothpaste
- Vitamins
- Weight loss food replacements