

OTC (Over the Counter) Drug Ruling

If certain requirements are met, a health FSA can reimburse medicines and drugs that are available without a prescription.

- ❑ Must be accompanied by adequate claims substantiation (statements from third party and participant) **Receipt must show the name of the medicine or drug, the date, and the amount of the purchase**
- ❑ Must be incurred during the coverage period
- ❑ Must be incurred for the employee, spouse, or dependent(s)
- ❑ Must be adjudicated by the plan administrator
- ❑ Must meet the definition of “medical care”
 - The definition: For purposes of a health FSA, the term “medical care” means amounts paid for “[1] the diagnosis of disease, [2] the cure, mitigation, treatment or prevention of disease, or [3] for the purpose of affecting any structure or function of the body.”
- ❑ Must be more than merely beneficial to general health
- ❑ Must not involve an unreasonable stockpiling
- ❑ For small quantities, of items on the medical-only list below, the expense is reimbursable even if the employee, spouse, or dependent did not have an illness at the time of purchase

Medical Only List – *The following list has been determined as primarily for medical care and reimbursement for reasonable quantities will be made if the above requirements/documents are met.*

Antacids
Allergy Medicine
Pain Reliever
Cold Medicine
Anti-diarrhea medicine, laxatives such as Ex-Lax
Menstrual cycle products for pain and cramp relief
Cough drops, throat lozenges, sinus medications, nasal sinus sprays
Nicotine gum or patches for stop-smoking purposes
Special ointment or cream for sunburns (not regular skin moisturizers)
BenGay, Tiger Balm and similar products for muscle pain or joint pain
Pedialyte for ill child’s dehydration
Any item that used to be a prescribed drug
First aid cream, Bactine, special diaper rash ointments, calamine lotion
Bug bite medication
Wart remover treatments
Visine and other such eye products
Suppositories and creams for hemorrhoids
Sleeping aids
Motion sickness pills
Band-aids, bandages, liquid adhesive, gauze pads, first aid kits
Cold/hot packs
Rubbing alcohol
Reading glasses
Contact lens-cleaning solution
Carpal tunnel wrist supports
Pregnancy test kits
Condoms
Spermicidal foam
Thermometers
Incontinence supplies
Nasal Strips
Pre-natal vitamins
Take-home screening test kits

Dual-Purpose List – *the following items require a medical practitioner's diagnosis and recommendation. The items listed below have both a medical purpose and a personal/cosmetic or general health purpose. A medical practitioner's note is required stating that the person has a specific medical condition and that the OTC drug is recommended to treat it and that treatment is not a cosmetic procedure. A medical practitioner's note is not a guarantee of reimbursement.*

Weight-loss drugs to treat a specific disease (including obesity)
Pills for persons who are lactose intolerant
Nasal sprays for snoring
Orthopedic shoes and inserts
Feminine hygiene products
Sunscreen
Acne treatment
Glucosamine/Chondroitin for arthritis
St. John's Wort for depression
Hormone therapy and treatment for menopause
Dietary supplements or herbal medicines
Fiber supplements
Topical creams to treat gingivitis
Medicated shampoos and soaps

Excluded Items: *Any expenditure which is merely beneficial to the general health of an individual is excluded.*

Toiletries and or cosmetics
Toothpaste and toothbrushes (electric or otherwise)
Chapstick
Face cream, moisturizers, hand lotion, perfumes, lipsticks, fingernail polishes
Eye and facial makeup preparations, hair colors
Suntan lotion
One-a-day vitamins, dietary supplements
Deodorants
Shaving lotion
Q-Tips
Cotton Balls

IMPORTANT: *The receipt MUST indicate (1) the name of the medicine, drug, or supply purchased, (2) the date of purchase (3) the amount of purchase, and (4) MUST have been purchased for the employee, the employee's spouse, or the employee's dependent(s).*

If receipts from the store where you purchase OTC products do not include the required information, you may want to consider shopping around to find a store that can provide you with a receipt that indicates the required information. Receipts that do not provide the required information will not be reimbursed. If you use your debit card to purchase OTC items and you cannot provide a receipt with the required information, you will be required to reimburse your account, as the expense will be deemed ineligible. Continued use of your debit card for the purchase of OTC products without a proper receipt could result in permanent de-activation of your debit card.