Flexible Spending Account –
Over-the-Counter Expenses

Allowable Over-the-Counter Expenses

Effective January 1, 2011, the list of items that remain eligible without a prescription include, but are not limited to band aids, braces & supports, contact lens solutions & supplies, elastic bandages & wraps, first aid supplies and reading glasses. The following is a condensed list of eligible over-the-counter expenses.

- Bandages
- Band-aids
- Blood pressure monitors and kits
- Braces and supports
- Carpal tunnel wrist supports
- Catheters
- Cold/hot pack for injuries
- Condoms
- Contact lens solution
- Crutches
- Denture adhesives
- Diabetic supplies
- Diagnostic tests & monitors
- Elastic bandages & wraps
- Ear plugs
- First aid kits
- Gauze pads
- Heating pads
- Hot water bottles
- Incontinence supplies
- Insulin
- Liquid adhesive for small cuts
- Medicine dropper/spoon
- Ostomy products
- Reading glasses
- Sitz bath
- Thermometers
- Wheelchairs, walkers, canes

Beginning January 1, 2011, OTC drugs and medicines will be considered ineligible unless you have a prescription from your physician. Other OTC products are not affected by the new law. Healthcare debit cards cannot be used to purchase items requiring a prescription however can be used for allowable OTC products.

Over-the-Counter Expenses Requiring a Prescription

Effective January 1, 2011, the list of items that will require a prescription include, but are not limited to acne medicine, allergy medicine, cough, cold and flu medicine, eye drops, indigestion medicine, laxatives, nasal sprays/drops, ointment for cuts/burns/rashes, and pain relievers.

- Acne medicine
- Allergy & sinus medication
- Antacids
- Antibiotic products
- Anti-diarrhea medicine
- Asthma medications
- Bactine
- Ben Gay or products for muscle or joint pain
- Bug bite medications
- Calamine lotion
- Cold sore relief
- Cough & cold medicine
- Diaper rash ointments
- Digestive/Stomach medications
- Ear drops
- Eye drops
- First aid cream
- Hemorrhoidal cream
- Lactose intolerance medicine
- Laxatives
- Motion sickness pills
- Nasal sinus sprays
- Nicotine gum or patches
- Pain relievers
- Sinus medications
- Sleep aids & sedatives
- Spermicidal foams/gel
- Sun block & Sun screen
- Throat lozenges
- Wart remover treatments
- Yeast infection treatments
Flexible Spending Account –
Health Care Eligible Expenses

Eligible FSA Expenses
There are hundreds of eligible FSA expenses, including prescriptions, over-the-counter products, doctor office co-pays, health insurance deductibles, and coinsurance. FSA funds may even be used for eligible expenses for your spouse or dependents (including expenses incurred for the health care of an employee’s child who has not attained age 27 as of the end of the taxable year). Following is a condensed list of eligible health care expenses.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Automobile modifications for a physically handicapped person
- Birth control pills
- Blood pressure monitoring device
- Braille books & magazines (above the cost of regular printed material)
- Chiropractic care
- Christian Science Practitioner
- Contact lenses & related material
- Crutches
- Dental treatment
- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination
- Eye glasses & related materials
- Fertility treatment
- Flu Shot
- Guide Dog or other animal aide
- Hearing aids
- Hospital services
- Immunization
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical testing device
- Nursing services
- Obstetrical expenses
- Organ transplant
- Orthodontia (not for cosmetic reasons)
- Over-the-counter products (see separate list for details)
- Oxygen
- Physical exam
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program
- Surgery
- Transportation for medical care
- Weight loss program to treat obesity (requires MD prescription)
- Wheelchair

You can use your Flexible Spending Account for hundreds of qualified expenses.

Ineligible FSA Expenses
These expenses are **never** FSA eligible.

- Cosmetic surgery
- COBRA premiums
- Exercise equipment
- Fitness programs
- Funeral expenses
- Hair transplants
- Illegal operations and treatments
- Insurance premiums
- Long-term care premiums
- Maternity clothes
- Retiree medical insurance premiums
- Teeth whitening
Effective 1/1/2011 Over-the-Counter drugs and medications will only be FSA eligible with a doctor's prescription. Other OTC products continue to be eligible.

In March 2010, Congress passed the Patient Protection and Affordable Care Act (“PPACA”). The new law requires a prescription for FSA reimbursement of over-the-counter medications and drugs (including Tylenol, Advil, Claritin, and cough medicines). The change takes effect on January 1, 2011.

Note: The new rule does not affect non-drug over-the-counter items or insulin, all of which are still fully reimbursable without a prescription. The non-drug over-the-counter items that continue to be reimbursable without a prescription include bandages, contact lens solution, diagnostic devices, and many others.

How do I submit my over-the-counter medicines or drugs with a prescription so that I can be reimbursed from my Health FSA after 1/1/11?

You should provide (1) a copy of the prescription; (2) a receipt or valid documentation for the over-the-counter item(s) purchased; and (3) a properly completed FSA Claim Form.

Can I use my EBPA Benefits Card to purchase over-the-counter drugs after 12/31/10?

No, the IRS has issued guidance stating plans must ensure that the FSA Cards are reprogrammed so that the card can no longer be used to purchase over-the-counter medicines or drugs beginning 1/1/11. The EBPA Benefits Card will remain available for use at all merchants for other eligible items (including non-drug over-the-counter items).

How does this change affect over-the-counter medical devices and supplies?

The new rule does not apply to items for medical care that are not medicines or drugs. Thus, medical items, supplies, and equipment that are available over-the-counter and are not drugs will continue to qualify for reimbursement without a prescription. These items include, but are not limited to, crutches, bandages, contact lens solution, diagnostic devices, and many other over-the-counter products.

I currently use my Health FSA for reimbursement of co-pays, deductibles, prescription drugs, and dental and vision expenses. Will I still be able to be reimbursed for those expenses from my Health FSA after 12/31/10?

Yes, you will still be able to be reimbursed for those expenses from your Health FSA after 12/31/10. All other eligible Health FSA expenses continue to be reimbursable. There is no change affecting prescription drugs, co-pays, deductibles, or dental or vision expenses.

Please visit our website at www.ebpabenefits.com for a sample list of FSA eligible OTC products effective 1/1/2011.

If you have any questions about what OTC expenses are eligible for reimbursement under FSA or how this change affects you, you may also contact EBPA’s Customer Service at 1-888-678-3457.