

Over-The-Counter (OTC) Drugs FSA Guide

Over-The-Counter Drugs & Products Reimbursable Through a Healthcare Flexible Spending Account

The following is a list of items expected to be eligible and is not intended to be all-inclusive. Contact Benesyst's Customer Care Center, at (800) 670-7131, with any questions.

Medical only:

These OTC drugs are deemed to have a sole or primary medical purpose. For FSA reimbursement, the (itemized) name of the product must appear on the merchant receipt AND itemized on the Benesyst claim form. If the receipt does not include the name of the product, please copy the label from the product and circle the correct amount on your receipt. Handwritten product names are not acceptable.

- Analgesics, such as fever and pain reducers like aspirin, Tylenol®, ibuprofen
- Antihistamines, such as Benadryl, Claritin, Pediacare, Dimetapp
- Gastrointestinal agents, such as antacids, Mylanta, Prilosec, Zantac
- Antidiarrheals
- Antiemetics
- Antifungal & combinations, such as Lamisil, Lotrimin, Monistat
- Anorectal preparations
- Antiseptic & combinations
- Anti-itch medications
- Birth control devices
- Burn preparations
- Canker sore/cold sore preparations
- Cold & cough preparations, cough drops, expectorants
- Constipation aids
- Contact lenses & contact lens solution
- Decongestants & nasal strips
- Diaper rash relief
- Ear drops (for pain), ear wax removal
- Fever preparations
- First aid (see wound care)
- Head lice relief
- Hemorrhoid creams & suppositories
- Incontinence supplies
- Lactose intolerance
- Laxatives
- Masks (ear loop)
- Latex/non-latex disposable gloves
- Menstrual cycle products for pain and cramp relief
- Monitoring devices, such as a glucose tester
- Muscle/joint pain creams/wraps
- Nasal sinus sprays
- Nausea medications
- Nicotine gum or patches
- Orthopedic shoes and inserts (for orthopedic shoes, reimbursed the excess cost over non-orthopedic shoes)
- Pedialyte for child's dehydration
- Prenatal vitamins – during pregnancy only
- Psoriasis and eczema medications (not shampoos)
- Sleep aids, such as Tylenol® PM, Excedrin® PM
- Sunburn cream
- Thermometers (ear/mouth/rectal/infant)
- Throat lozenges & sprays
- Visine and other eye products, including all contact lens solutions
- Wart remover products
- Wrist support for carpal tunnel
- Wound care, such as bandages, first aid creams, gauze pads, peroxide, liquid adhesive for small cuts.



Dual purpose list—doctor's note required

The following items are deemed by the IRS to be dual purpose—they have a medical purpose, which would make the item reimbursable, and a personal/cosmetic/general health purpose which would make them non-reimbursable. If you wish to have FSA reimbursement on any item below, you must include a medical doctor's note specifying the medical diagnosis, medical condition, necessity, treatment and duration.



- Acne preparations (Proactiv, AcneFree, etc.)
- OTC hormone therapy and treatment for menopause to treat symptoms such as hot flashes, night sweats, etc.
- Weight-loss drugs to treat a specific disease including obesity
- Blood pressure lowering devices

Excluded items—OTC drugs that are not reimbursable, per the IRS¹

- Sunscreen/sunblock (not suntan lotion) excluded unless presented with a doctor's note²
- Toiletries, tissue, cosmetics or items (including R_x) primarily used for general health & everyday living
- Toothpaste or toothbrushes (electric or otherwise), even if recommended by a dentist
- Dental whitening/bleaching systems, floss
- ChapStick for chapped lips, lip balms, gloss, etc.
- Mouth washes, oral rinses (that claim to treat bad breath, gingivitis)
- Face/body creams/moisturizers (with or without SPF), cleansers, oils, gels, lotions – for all skin types (i.e. itchy, dry skin) and suntan lotion
- Scar care: creams, ointment, sheets, solutions
- Shampoos and soaps, including medicated
- Vitamins, minerals and amino acids
- Supplements (herbal or combination) for general health, weight loss, prevention of disease and normal function of the body
- Feminine products as well as hygiene products, lubricants, cleansers, wipes, sprays, etc.
- Food (including dietary requirements due to weight loss and any nutrition substitution)
- Immune system support
- Personal use items, i.e. bed coverings/accessories, vacuums, furniture, rubber gloves
- Caffeine pills (stay awake pills)

¹Information is from the SIGIS list for over-the-counter drugs. This list is not all inclusive and may change at any time. Purchases are for consumption or use in the plan year; stockpiling of one or several items are not permitted and will be denied; particularly at the end of a plan year.

²2009 change due to IRS ruling.

While this material is believed to be accurate as of the revision date, it is subject to change.

IRS Revenue Ruling 2003-102, permits many over-the-counter (OTC) drugs to be reimbursed medical expenses in an FSA. Under the ruling, OTC drugs purchased without a physician's prescription are reimbursable as long as the item alleviates illness or injury. Outlined below are examples of medical only and dual purpose OTC drugs that are reimbursable as well as OTC drugs that are excluded.

Over-the-Counter (OTC) Drugs & Medicines Generally Prohibited After January 1, 2011

Patient Protection and Affordable Care Act of 2010 (PPACA) Requirements for OTC Reimbursement



The *Patient Protection and Affordable Care Act of 2010* (PPACA) prohibits the purchase of OTC (over-the-counter) drugs and medicines using Flexible Spending Account (FSA) pre-tax funds beginning January 1, 2011:

- You will no longer be able to use your FSA to purchase OTC drugs and medicines (for example, Advil, ibuprofen, cough syrup, etc.) with the exception of Insulin - which is still reimbursable from your FSA.
- Exceptions can be made where your doctor has completed a *Benesyst Prescription for OTC Drugs* form (available on our website), or provided a prescription that contains: name of drug, amount prescribed, diagnosis the drug is to treat, directions for use and provider signature.
- If you have a *Benesyst Prescription for OTC Drugs* form completed by your doctor or a prescription that contains: name of drug, amount prescribed, diagnosis the drug is to treat, directions for use and provider signature, you will need to pay for the eligible purchase at the point of service and submit a manual claim for reimbursement.

Benesyst Prescription for Over-the-Counter (OTC) Drugs Form

- In compliance with IRS regulations, Benesyst is not allowed to reimburse purchases of OTC drugs or medicines (with the exception of Insulin) unless your doctor has completed and signed the *Benesyst Prescription for OTC Drugs* form.
- The form must contain all of the following information:
 - Participant's name & company
 - Participant's signature
 - Name of the Prescribe OTC Drug (and/or name of generic version)
 - Amount Prescribed
 - Diagnosis (OTC Drug is to treat)
 - Prescribed dosage and length of treatment
 - Signature of your doctor

Prescription for Over-the-Counter (OTC) Drugs
(Required for your OTC drug reimbursement request)

Patient Name: _____
Participant Name: _____
Company Name: _____
Participant's Signature: _____ Date: _____

By completing this form, you certify that the OTC drug you are claiming is a direct result of the medical condition described below. It is not intended to be used for any other purpose, and you agree to hold the provider you are claiming if you were not holding the medical condition. Your doctor can and should contact the IRS or the Department of Health and Human Services if you have any questions.

Physician please provide the following information:

Name of Prescribed Over-the-Counter (OTC) Drug (or generic version of prescribed drug):	Required
Over-the-Counter Drug to be treated (diagnosis):	Required
Prescribed Quantity/Dosage:	Required
Treatment Period:	Required

Physician's Name: _____ Date: _____
Physician's Address/Phone Number: _____
Physician's Signature: _____ Date: _____

Benesyst Prescription for Over-the-Counter (OTC) Drugs 2011