



New Rules for Using Health Spending Accounts for Over-the-Counter Drugs

Per a provision of the health care reform legislation, after Jan. 1, 2011, you can no longer use health spending accounts (HSAs, FSAs, HRAs) for over-the-counter (OTC) drugs and medicines, unless you have a prescription. (You will not need a prescription for insulin or diabetic supplies.)

How to Comply

Health Reimbursement Accounts (HRAs) or Flexible Spending Accounts (FSAs)

In order to seek reimbursement from an HRA or FSA for OTC drugs, you must submit your doctor's prescription and your store receipt.

Health Savings Accounts (HSAs)

If you use your HSA to purchase OTC drugs, you should keep a copy of your prescription and store receipt, in case of an IRS audit.

OTC Drugs That Require a Prescription

The following is a list of the drugs and medicines that will require a prescription if purchased after Jan. 1, 2011.

- Acid controllers
- Allergy and sinus

- Antibiotic products
- Anti-diarrheals
- Anti-gas
- Anti-itch and insect bite
- Anti-parasitic treatments
- Baby rash creams
- Cold sore remedies
- Cough, cold and flu
- Digestive aids
- Feminine anti-fungal/anti-itch
- Hemorrhoid treatments
- Laxatives
- Motion sickness
- Pain relief
- Respiratory treatments
- Sleep aids and sedatives
- Stomach remedies

- Ostomy products
- Reading glasses
- Wheelchairs, walkers and canes

The government may still release further guidelines regarding which OTC drugs need a prescription or not. Check the IRS website for updates:
www.irs.gov/newsroom/article/0,,id=222814,00.html.

OTC Items That Do Not Require a Prescription

The following items do not need a prescription in order for reimbursement from a health spending account.

- Adhesive bandages
- Braces and supports
- Catheters
- Contact lens solution and supplies
- Contraceptives
- Denture adhesives
- Diagnostic tests and monitors
- Elastic bandages
- First aid supplies
- Insulin and diabetic supplies

For Questions please call:
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