

## 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.*