

Eligible FSA/HSA Expenses and OTC Products

Eligible FSA/HSA Healthcare Expenses

Please __note that this list is not intended to be comprehensive tax advice.

For more detailed information, please consult IRS Publication 501 or see your tax advisor.

- Acupuncture
- Alcoholism treatment
- Allergy shots and testing
- Ambulance (ground or air)
- Artificial limbs
- Blind services and equipment
- Car controls for handicapped*
- Chiropractor services
- Coinsurance and deductibles
- Contact lenses
- Crutches, wheelchairs, walkers
- Deaf services -- hearing aid/batteries, hearing aid animal & care, lip reading expenses, modified telephone, etc.
- Dental treatment
- Dentures
- Diagnostic tests
- Doctor's fees
- Drug addiction treatment & facilities
- Drugs (prescription)
- Eye examinations and eyeglasses
- Home health and/or hospice care
- Hospital services
- Insulin
- Laboratory fees
- LASIK eye surgery
- Medical alert (bracelet, necklace)
- Medical monitoring and testing devices*
- Nursing services
- Obstetrical expenses
- Occlusal guards
- Operations and surgeries (legal)
- Optometrists
- Orthodontia
- Orthopedic services
- Osteopaths
- Oxygen/oxygen equipment
- Physical exams (except for employment-related physicals)
- Physical therapy
- Psychiatric care, psychologists, psychotherapists
- Radial keratotomy
- Schools (special, relief, or handicapped)
- Sexual dysfunction treatment
- Smoking cessation
- Surgical fees
- Television or telephone for the hearing impaired
- Therapy treatments*
- Transportation (essentially and primarily for medical care; limits apply)
- Vaccinations
- Vitamins (prescription only)*
- Weight loss programs*
- X-rays

*if prescribed for a particular ailment or medical condition; provider letter

Important Change Regarding Over-the Counter (OTC) Medications

Starting January 1, 2011, OTC medications will require a doctor's prescription to be eligible for FSA/HSA reimbursement.

As a result, OTC medications cannot be purchased using the *mySourceCard*® after 12/31/10 unless dispensed by a pharmacy the same as a standard prescription. If a manual claim is submitted for purchase of an OTC medication after 12/31/10, a prescription receipt must be included with the claim in order to receive reimbursement.

Non-medicated OTC products (gauze pads, diabetes test strips, saline solution, etc.) are not affected by this change in the law. You can continue to receive FSA/HSA reimbursement for such items after 12/31/10 in the same manner you do now.

Eligible FSA/HSA OTC Medications and Products

ELIGIBLE NOW, BUT WILL REQUIRE PRESCRIPTION TO REMAIN ELIGIBLE AFTER 12/31/10:

- Acne medications & treatments
- Allergy & sinus, cold, flu & cough remedies (antihistamines, decongestants, cough syrups, cough drops, nasal sprays, medicated rubs, etc.)
- Antacids & acid controllers (tablets, liquids, capsules)
- Antibiotic & antiseptic sprays, creams & ointments
- Anti-diarrheals
- Anti-fungals
- Anti-gas & stomach remedies
- Anti-itch & insect bite remedies
- Anti-parasitics
- Digestive aids

- Baby care (diaper rash ointments, teething gel, rehydration fluids, etc.)
- Contraceptives (gels, foams, suppositories, etc.)
- Eczema & psoriasis remedies
- Eye drops, ear drops, nasal sprays
- First aid kits
- Hemorrhoidal preparations
- Hydrogen peroxide, rubbing alcohol
- Laxatives
- Medicated bandaids & dressings
- Motion sickness remedies
- Nicotine medications (smoking cessation aids)
- Pain relievers (aspirin, ibuprofen, acetaminophen, naproxen, etc.)
- Sleep aids & sedatives
- Wart removal remedies, corn patches

ELIGIBLE NOW AND WILL REMAIN ELIGIBLE AFTER 12/31/10 WITH NO PRESCRIPTION REQUIRED:

- Braces & supports
- Contact lens solution
- Diabetic testing supplies & equipment
- Durable medical equipment (power chairs, walkers, wheelchairs, CPAP equipment & supplies, etc.)
- Home diagnostic (pregnancy tests, ovulation kits, thermometers, blood pressure monitors, etc.) Non-medicated bandaids, rolled bandages & dressings
- Reading glasses

All OTC items listed are examples.

NON-ELIGIBLE FSA/HSA Expenses and OTC Products

NON-ELIGIBLE FSA/HSA Healthcare Expenses

- Advance payment for services to be rendered
- Automobile insurance premium allocable to medical coverage
- Boarding school fees
- Body piercing
- Bottled water
- Chauffeur services
- Controlled substances
- Cosmetic surgery and procedures
- Cosmetic dental procedures
- Dancing lessons
- Diapers for Infants
- Diaper service
- Ear piercing
- Electrolysis
- Fees written off by provider
- Food supplements
- Funeral, cremation, or burial expenses
- Hair transplant
- Herbs & herbal supplements
- Household & domestic help
- Health programs, health clubs, and gyms
- Illegal operations and treatments
- Illegally procured drugs
- Insurance premiums (not reimbursable under FSA... only PRA)
- Long-term care services
- Maternity clothes
- Medical savings accounts
- Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
- Personal items
- Preferred provider discounts
- Social activities
- Special foods and beverages
- Swimming lessons
- Tattoos/tattoo removal
- Teeth whitening
- Transportation expenses to & from work
- Travel for general health improvement
- Uniforms
- Vitamins & supplements without prescription

NON-ELIGIBLE FSA/HSA Over-the-Counter Products

The following are examples of OTC medications & products which are NOT eligible for FSA/HSA reimbursement. Additional items will join this list effective January 1, 2011, due to changes in the law brought about by the Patient

- Aromatherapy
- Baby bottles & cups
- Baby oil
- Baby wipes
- Breast enhancement system
- Cosmetics (including face cream & moisturizer)
- Cotton swabs
- Dental floss
- Deodorants & anti-perspirants
- Dietary supplements
- Feminine care items
- Fiber supplements
- Food
- Fragrances
- Hair regrowth preparations
- Herbs & herbal supplements
- Hygiene products & similar items
- Low-carb & low-fat foods
- Low calorie foods
- Lip balm
- Medicated shampoos & soaps
- Petroleum jelly
- Shampoo & conditioner
- Spa salts
- Suntan lotion
- Toiletries (including toothpaste)
- Vitamins & supplements without prescription
- Weight loss drugs for general well-being