

Flexible Spending Accounts FSA and Health Savings Accounts HSAs Now Allow Reimbursement for Over the Counter Products (OTCs) with Passage of the CARES Act

April 15, 2020

The Coronavirus Aid, Relief and Economic Security Act (**CARES Act**) signed into law in March allows specified over the counter (OTC) and menstrual care products to be treated as qualified medical expenses that may be paid for (or reimbursed) on a tax-free basis through a Flexible Spending Account (FSA). This change **eliminates** the Affordable Care Act (ACA) provision that required individuals to have a **prescription for OTC products**. **We are pleased to announce, effective January 1, 2020, OTCs without a prescription and menstrual care products may be reimbursed through your Flexible Spending Account or Health Savings Account.**

Are all Over the Counter (OTC) medicines and products considered an FSA/HSA qualified expense? It depends as there are many OTC products. Guidelines for qualification include:

- **YES - Specified OTCs used for Medical Care:** These products are reimbursable with a third-party receipt. A recommendation or prescription from a health care provider is not required.
- **NO - Ineligible:** OTCs that are not considered medical care products since they are viewed as general care items. Ineligible OTCs are not reimbursable from a Flexible Spending Account.
- **MAYBE - Dual Purpose OTC Items:** Certain OTCs are considered dual-purpose, such as vitamins and supplements. This is because for some individuals, specific products are used to alleviate a diagnosed medical condition, while others are taken for general health and well-being. Dual purpose items may be eligible for reimbursement if a Letter of Medical Necessity (LMN) is provided in writing from a licensed physician. **Physician letters must cite the specific medical condition and indicate that the OTC item will treat or alleviate the diagnosed condition.** You can locate [Letter of Medical Necessity](#) wording under the Forms section at www.HRAdministrators.com.

What Menstrual care products are allowed as a qualified expense under an FSA / HSA?

Acceptable products include tampons, pads, liners, cups, sponges or similar items used with respect to menstruation care.

Can the debit card be used to purchase OTC medicines and products?

Yes, in the very near future. The Inventory Information Approval System (IIAS) used at many stores and pharmacies is being updated to automatically approve more Over the Counter medicines and Menstrual Care products. Many stores are already setup to allow the purchase OTC products such as Band Aids, eye care and contact lens supplies, diabetic supplies and family planning products, but it make take until the end of May 2020 for every system to be fully expanded.

If the debit card is not used, how can I submit for reimbursement of qualified expenses?

In order to receive reimbursement for OTC and Menstrual care products, a completed Claim Form along with receipts must be submitted to HRAdministrators. For convenience, claim information may be entered on-line at www.HRAdministrators.com or by using the **SUMMIT** or **myRSC** mobile app. If the expense is considered dual purpose item, a Letter of Medical Necessity from a licensed physician must accompany receipts and the completed claim form. A reimbursement will then be provided via check or direct deposit. Thank you.

OVER THE COUNTER QUICK REFERENCE CHART	
ELIGIBLE DRUGS/MEDICINES & MEDICAL SUPPLIES (NO PRESCRIPTION REQUIRED)	
<ul style="list-style-type: none"> ■ Allergy Medicines i.e. Claritin and Zyrtec ■ Antacids i.e. Maalox, Prilosec ■ Cold & Flu Medicine i.e. Robitussin & cough drops ■ First Aid Creams i.e. Neosporin and Polysporin ■ Gastrointestinal Aids i.e. Miralax, Maalox and Zantac ■ Pain Relievers i.e. aspirin, Tylenol, Advil, Motrin ■ Smoking Cessation Medicine i.e. patches and gum 	<ul style="list-style-type: none"> ■ Arthritis gloves ■ Adult incontinence products ■ Denture Adhesives ■ Contraceptives/Family Planning ■ Contact Lens Solution ■ Eye Care Products ■ First Aid Supplies i.e. Band-Aids ■ Heating Pads ■ Menstrual Care Products i.e. pads, tampons, liners ■ Support/braces i.e. ankle, knee, wrist, therapeutic glove
INELIGIBLE	DUAL PURPOSE
<ul style="list-style-type: none"> ■ Aromatherapy ■ Bath Products, Cleaners or Soap ■ Creams, Lip Balm, Lipstick, Lotions, Moisturizers ■ Dental Miscellaneous – breath fresheners, dental floss, whitening products, toothpaste, toothbrushes, mouth wash or rinses and oral cleaning systems. ■ Hair Care Products ■ Vitamins (to promote general health) 	<ul style="list-style-type: none"> ■ Acne Medicines ■ Herbs ■ Minerals ■ Supplements ■ Weight Loss Supplements ■ Vitamins
Please note: This chart offers product guidelines and is not fully comprehensive.	