

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 Protection and Affordable Care Act (PPACA) of 2010. See reverse side for additional information.

- 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

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 required

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 (condoms, 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.