

Partial Listing of Over-the-Counter (OTC) Product Categories*

The Patient Protection and Affordable Care Act (PPACA) requires that effective January 1, 2011, all OTC medications must be “prescribed” in order to qualify as “medical care” for purposes of employer-sponsored health plans (including Health FSAs). In other words, just having a physician’s recommendation is not enough to meet the new requirements. In order to be considered as “prescribed,” the new rules specify that the prescription must meet all of the requirements applicable under state law for a valid prescription. A general physician recommendation (oral or otherwise) that does not satisfy state law will not qualify as a prescription.

When is a medicine or drug (other than insulin) considered “prescribed” for purposes of the OTC Rules?

An OTC drug is considered prescribed for purposes of the new rule if the individual obtains a “prescription” for such medicine or drug (even though a prescription is not legally required to obtain the medicine or drug). A prescription is defined as an electronic or written order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred, and that is issued by an individual authorized to issue a prescription in that state. Stated differently, the same rules and processes should apply for OTC prescriptions as apply for any other prescribed drug even if the OTC item is not “filled” by a pharmacist.

Note: The new rules do not apply to OTC medical supplies and equipment (such as contact lens solutions, bandages, crutches or durable medical equipment or diagnostic devices such as blood sugar test kits). Such OTC items continue to be eligible for reimbursement if purchased without a prescription.

The list below is intended to assist you when making decisions about the purchase of OTC items and to clarify if you will need to obtain a valid prescription in order to be reimbursed.

Prescription Required (list is not exhaustive):

-Acne Treatment	-Cold/Allergy	-Feminine Hygiene Products	-Laxatives	-Prenatal Vitamins
-Allergy Prevention/Treatment	-Corn/Callus Removal	-Fever Blister Medication	-Menstrual Pain	-Rash Medication
-Antibiotic Products	-Cough Suppression	-Fiber Supplements	-Minerals	-Sleeping Aid
-Anti-Diarrhea	-Cough/Cold/Flu/Fever Reducer	-Glucosamine/Chondroitin	-Mouth Pain	-Smoking Cessation
-Anti-Gas	-Cough/Loosen Phlegm	-Head Lice Treatments	-Muscle Aches	-Special Ointments
-Anti-Itch	-Dandruff/Psoriasis Medications	-Heartburn or Indigestion	-Nasal Decongestant	-St. John’s Wort
-Antimicrobial Products	-Diaper Rash Medications	-Hemorrhoid	-Nasal Sprays	-Sunscreen
-Antiseptic Products	-Dietary Supplements	-Herbal Remedies	-Nausea Medication	-Vaginal Products
-Asthma Medications	-Ear Problems/Swimmer’s Ear	-Hormone Therapy	-Pain Relief/Fever	-Vitamins
-Athlete’s Foot/Antifungal	-Ear Wax	-Jock Itch/Antifungal	-Pedialyte for ill child	-Wart Removers
-Botanicals/Herbals	-Eye Problems	-Lactose Intolerance Pills	-Poison Treatments	-Weight Control

Other Categories:

Allowed Without a Prescription

(You do not need to obtain a prescription for these items)

- Bandages/Ace Bandages
- Birth Control (condoms, spermicidal foam, pregnancy tests, kits...)
- Blood Pressure Monitor
- Blood Sugar Test Kit
- Contact Lens Solution
- Crutches
- Durable Medical Equipment
- First Aid Kit
- Insulin
- Medical Devices
- Medical Supplies

Not Allowed

(These expenses are not allowable, even with a prescription)

- Baldness/Hair Re-Growth
- Lip Balm
- Deodorant/Anti-Perspirant Products
- Diapers
- Face Cream and Moisturizers
- Mouthwashes/Rinses
- Shampoos
- Skin Bleaching
- Soap
- Stockpiling of Medications (must be used within plan period)
- Teeth Whitening Kits
- Toothbrush (even if a dentist recommends special ones to treat a condition)

*This list is subject to modification as the result of additional guidance from the IRS.