Changes to Over the Counter Expenses that affect FSAs and HRAs

Effective January 1, 2011 OTC drugs, medicines, and biologicals will need a doctor's prescription to be defined by the IRS as a qualified medical expense (QME) eligible for HSAs, HRAs, and FSAs reimbursement. QME is defined as expenses for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.

The following are examples that ***will require a doctor's prescription*** in order to be an IRS eligible QME:

Acid controllers
Allergy and sinus
Antibiotic products
Anti-diarrheal
Anti-gas
Anti-itch and insect bite
Anti-parasitic treatments
Baby rash ointments and creams
Cold sore remedies
Digestive aids
Feminine anti-fungal and anti-itch
Hemorrhoid preps
Laxatives
Motion sickness
Pain relief
Respiratory treatments
Sleep aids and sedatives
Stomach remedies

Bandages, home health-aids and other OTC items may still be eligible QMEs. The following are examples of some of the items that remain available without a physician's prescription:

Artificial teeth
Band-Aids®
Birth control
Braces and supports
Braille books and magazines
Catheters
Contact lens supplies and solutions
Denture adhesives
Diagnostic tests and monitors
Elastic bandages and wraps
First aid supplies
Hearing aids and batteries
Insulin and diabetic supplies
Ostomy products
Oxygen and oxygen-equipment
Pregnancy test kits
Reading glasses
Wheelchairs, walkers and canes