

The CARES Act Eligible Flexible Spending Account and Health Savings Account Expenses and Over-the-Counter Products

Effective January 1, 2020 The CARES Act treats all OTC drugs, medicines and now menstrual care products as qualifying medical expenses that may be paid for (or reimbursed) on a tax-free basis by an FSA or HSA. This change eliminates the ACA Provision that requires individuals to have a prescription for an OTC medication, except insulin, to pay for it on a tax-free basis.

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 502 or see your tax advisor. All OTC items listed are examples.

- Acne medications & treatments
- Acupuncture
- Alcoholism treatment
- Allergy & sinus, cold, flu & cough remedies (antihistamines, decongestants, cough syrups, cough drops, nasal sprays, medicated rubs, etc.)
- Allergy shots and testing
- Ambulance (ground or air)
- Antacids & acid controllers (tablets, liquids, capsules)
- Antibiotic & antiseptic sprays, creams & ointments
- Anti-diarrheal
- Anti-fungal
- Anti-gas & stomach remedies
- Anti-itch & insect bite remedies
- Anti-parasitic
- Artificial limbs
- Baby care (diaper rash ointments, teething gel, rehydration fluids, etc.)
- Blind services and equipment
- Braces & Support
- Car controls for handicapped*
- Chiropractor services
- Coinsurance and deductibles
- Contact lenses & Solution
- Contraceptives (condoms, gels, foams, suppositories, etc.)
- Crutches, wheelchairs, walkers
- Deaf services -- hearing aid/batteries, hearing aid, lip reading expenses, modified telephone, etc.
- Dental treatment
- Dentures
- Diabetic testing supplies & Equipment
- Diagnostic tests
- Digestive aids
- Doctor's fees
- Drug addiction treatment & facilities
- Drugs (prescription)
- Durable medical equipment (poser chairs, walkers, wheelchairs, CPAP equipment & supplies)
- Eczema & psoriasis remedies
- Eye examinations and eyeglasses
- Eye drops, ear drops, nasal sprays
- First aid kits
- Hemorrhoidal preparations
- Home diagnostic (pregnancy tests, ovulation kits, thermometers, blood pressure monitors, etc.)
- Home health and/or hospice care
- Hospital services
- Hydrogen peroxide, rubbing alcohol
- Insulin
- Laboratory fees
- LASIK eye surgery
- Laxatives
- Medical alert (bracelet, necklace)
- Medicated band aids & dressings
- Medical monitoring and testing devices*
- Menstrual care products
- Motion sickness remedies
- Nicotine medications (smoking cessation aids)
- Non-medicated bandages, rolled bandages & dressings
- Nursing services
- Obstetrical expenses
- Occlusal guards
- Operations and surgeries (legal)
- Optometrists
- Orthodontia
- Orthopedic services
- Osteopaths
- Oxygen/oxygen equipment
- Pain relievers (aspirin, ibuprofen, acetaminophen, naproxen, etc.)
- Physical exams (except for employment-related physicals)
- Physical therapy
- Psychiatric care, psychologists, psychotherapists
- Radial keratotomy
- Reading glasses
- Schools (special, relief, or handicapped)
- Smoking cessation
- Sleep aids & sedatives
- 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.



Ineligible FSA/HSA Expenses and Over-the-Counter Products

Ineligible 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
- 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

Ineligible FSA/HSA Over-the-Counter Products

The following are examples of OTC medications & products which are NOT eligible for FSA/HSA reimbursement.

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

