OTC VITAMINS AND SUPPLEMENTS REQUIREMENTS

The IRS allows certain over-the-counter (OTC) products to be reimbursed from a health care FSA when the OTC item is used to treat a specific medical condition. Eligible OTC expenses include insulin and other items including medical equipment, supplies, and diagnostic devices (e.g., magnifying eye glasses, crutches, bandages, or blood sugar testing kits). Such items may be reimbursed if they meet the definition of medical care in IRC § 213(d)(1), which includes expenses for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.

As of January 1, 2011, OTC medicines and drugs are not eligible without a prescription.

OTC medicines and drugs can be broken down into three distinct categories:

- Eligible,
- Dual-purpose, and
- Ineligible

Eligible and ineligible are straightforward in definition; however, certain OTC items are referred to as “dual purpose,” which means that some individuals may use the product to alleviate a medical condition (eligible), while others may use the product for general health and well-being (ineligible).

To be eligible for reimbursement, dual-purpose OTC items (such as vitamins and nutritional supplements) require the following:

- Prescription from a doctor
- Letter of Medical Necessity from the doctor (good for one year)
  - Description from the provider of the medical condition; e.g., diagnosis code and details of the medical condition
  - Detailed description from the provider of how the recommended treatment would assist in alleviating or treating the medical condition
  - A certification from the participant that the item would not have been purchased “but for” the recommendation of the healthcare provider

Note: Neither the doctor’s statement nor the prescription would be required for the following medications:

- Prenatal vitamins
- Glucosamine/Chondroitin
- Insulin

If you have questions, please call the ADP Customer Service Center at 1-866-697-6077, Monday through Friday, 7 AM to 7 PM Central Time.