



Flexible Spending Account Eligible Expenses

Healthcare FSA Eligible Expenses:

Acupuncture (not for weight loss or smoking cessation)
Alcoholism & Drug Abuse Treatment
Ambulance
Artificial Limbs & Teeth
Braille Books & Magazines
Breast Reduction (if medically necessary)
Car Equipment (special for disabled persons)
Child Birth Classes
Chiropractors
Christian Science Practitioners
Contact Lenses & Solutions
Co-payment amounts for office visits or Rx items
Counseling (by a Psychiatrist or Psychologist for a medical reason)
Crutches
Deductibles - Health Insurance (amounts applied to)
Dental Treatments (except bleaching)
Eye Exams
Eyeglasses
Guide Dog & Upkeep (for the blind)
Hearing Aids & Batteries
Hospital Bills
Human Guide (for the blind)
Insulin & Supplies
Laboratory Fees
Lead based paint removal
Learning disability – special schooling for a child who has a severe learning disability due to a mental or physical impairment, if prescribed by a doctor
Legal Fees – paid to authorize treatment of mental illness
Lodging & Meals - if necessary to receive required medical care
Massage Therapy (prescribed by a physician)
Mattress (prescribed by a physician for a medical reason)
Medical Aids such as - Orthopedic shoes, special support hose, (must be medically necessary)
Mental Retardation (payment for special housing to transition from life in an institution)
Nursing Home (only for medical care)
Nursing Services (medically necessary)
Optometrist
Orthodontics
Osteopath
Over the Counter Drugs & Medications*
Oxygen/Oxygen Equipment
Physical Examination
Physical Therapy
Prescription Drugs
Prescription Vitamins
Private Hospital Room
Prosthetics
Psychiatric Care
Psychoanalysis
Psychologists
Radial Keratotomy (Laser eye surgery)
Reasonable & Customary (charges exceeding)
Retin-A (treatment for Acne only)
Rogaine (when prescribed to treat a medical condition)
Sanitarium
Schooling - special for mentally/physically handicapped
Smoking Cessation Program & Stop –Smoking Drugs (only available by prescription)
Surgical Procedures (medically necessary)
Telephone/television equipment for hearing/visually impaired
Therapy
Transplants
Transportation Expenses – expenses incurred in order to receive necessary medical care
Vaccines
Vision Services
Weight loss program (if prescribed by a physician to treat a specific illness, e.g. heart disease)
Wheelchair
Wigs (prescribed by a physician due to a medical condition or treatment)
X-rays

Dependent Care FSA Eligible Expenses:

Household services (including a maid or cook) provided they are directly related to the care of the “qualified dependent”
Actual physical care of the “qualified dependent”
Nursing home for an invalid parent, for day care only
A dependent care center, if they provide care for 7 or more individuals (day care only), and comply with all applicable laws and regulations
If the employee is married, dependent childcare is generally reimbursed as long as the spouse is either employed, a full time student, or is incapable of caring for himself or herself or the dependent.

**Additional information on OTC guidelines continued on back*



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New Guidelines for OTC Purchases after 1.1.2011

The recently enacted Patient Protection and Affordable Care Act of 2010 has changed the rules for the purchase of over-the-counter (OTC) products using your Flexible Spending Account (FSA) pre-tax funds.

The IRS currently allows OTC medicine and drugs to be reimbursed using your FSA dollars. However, as of January 1, 2011:

- FSA funds can no longer be used to purchase OTC medicine and drugs unless a medicine or drug is prescribed. A “prescription” means a written or electronic 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 who is legally authorized to issue a prescription in that state.

The OTC items affected include, but are not limited to, items in the following categories:

- Acid controllers
- Allergy & Sinus
- Antibiotic products
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Antiparasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold & flu
- Digestive aids
- Hemorrhoidal preps
- Laxatives
- Motion sickness
- Pain relief
- Respiratory treatments
- Sleep aids & sedatives
- Stomach remedies

- If you have a prescription for an OTC medicine or drug, you must pay out of pocket at the point of sale and then submit a manual claim requesting reimbursement. **You may use your debit card to purchase OTC items that contain a medicine or drug as long as you present your prescription to the pharmacist and the pharmacist assigns an RX number at the time of purchase.** Please visit www.IRS.gov for further details regarding stipulations put in place by the IRS.

(NOTE: Some retail merchants may have removed OTC drugs and medicines from their list of eligible items prior to the January 1st effective date, in which case these items will not be approved on your prepaid benefits card. Be sure to visit www.sig-is.org for a current list of participating stores.)

- You can continue to use your FSA funds to purchase OTC items that are not considered a medicine or drug (for example: bandages, splints, contact lens solution, etc.). Please note that insulin will remain an eligible expense with or without a prescription.
- Remember to consider these new OTC rules when estimating the dollar amount to put in your FSA for the next plan year.

If you have questions about this OTC change or need more information, please contact Meritain Health at 1.800.748.0003.