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Survey: US Consumers Support Using Health Savings Accounts For Dietary Supplements

CHPA, CRN Survey Also Shows Most Consumers Don't Know OTC Drug Purchases Are Allowed

by [Malcolm Spicer](#)

Oversample of respondents with FSA/HSAs included to ensure sufficient sample to analyze. All data nationally representative of US adult population and weighted to match US Census characteristics.

Most US consumers say purchasing dietary supplements “for general health” should be allowed with pre-tax health savings accounts, according to survey results.

The results of the “2023 HSA & FSA Reimbursement Study” commissioned by the Council for Responsible Nutrition and the Consumer Healthcare Products Association also show most consumers know health savings, flexible spending and similar pre-tax health savings accounts can be used to buy OTC drugs, including a majority of people with accounts.

THE SURVEY SHOWED MOST CONSUMERS, EVEN THOSE WITH PRE-TAX HEALTH SAVINGS ACCOUNTS, AREN'T AWARE THAT SINCE MARCH 2020, DIRECT PURCHASES OF OTC DRUGS HAVE BEEN ALLOWED. IDENTIFYING RESPONDENTS WHO USE DIETARY SUPPLEMENTS WAS DONE AS THE SURVEY ALSO ASKED ABOUT USING THE ACCOUNTS FOR BUYING THOSE PRODUCTS. (ALL CHARTS FROM "2023 HSA & FSA REIMBURSEMENT STUDY" BY CHPA AND CRN.)

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Adding more eligible products for FSA/HSA purchases wouldn't steer consumers to increase the amounts they invest in the accounts, though.

The survey of 1,892 US adults conducted online by Ipsos' KnowledgePanel on 24-26 March showed 66% of the total respondents would be "total unlikely" to increase the amounts in their accounts, including 61% who identified as vitamin, mineral and supplement product users and 79% of non-VMS users.

In their 18 April announcement of the study results, the trade groups referenced other research showing in 2020 US consumers used more than \$30bn in FSAs and at the beginning of 2022 had around \$100bn in HSAs.

CRN president and CEO Steve Mister points out that an annual survey the trade group conducts showed in 2022 that 75% of US consumers use some type of VMS product.

"Tens of millions of these same people, who invest into FSAs and HSAs, can't then use that money to purchase, for example, children's vitamins for their kids. Our interpretation of this survey tells us people don't want to be penalized any longer for being proactive about their health by purchasing products that will help to keep their families healthy," Mister said in CRN and CHPA's announcement.

'TAKEN FOR GENERAL HEALTH" WAS INCLUDED IN THE SURVEY QUESTION TO DESCRIBE THE VARIETY OF SUPPLEMENTS ELIGIBLE RESPONDENTS SUPPORT MAKING ELIGIBLE FOR FSA/HSA PURCHASES.

The CRN, CHPA and other consumer health product trade groups and other industry stakeholders for more than a decade have urged Congress to allow buying some VMS products with FSA/HSA accounts. The change has attracted some support in Congress but not enough to move legislation close to passing during an session; a key argument from opponents is that FSA/HSAs would be used to buy supplements promoted for weight loss, bodybuilding and sexual enhancement. (Also see "[Appetite In Congress For Adding Supplements To Pre-tax Savings Grows By Another House Bill](#)" - HBW Insight, 27 Oct, 2021.)

Three Years Since OTC Drugs Made Eligible

The CHPA was the lead voice on Capitol Hill for making OTC drugs eligible again for purchases with the accounts.

Nonprescription drugs had been eligible before being removed in the Affordable Care Act of 2011 due to the Obama administration's finding that the loss of tax revenues from money consumer saved in the accounts exceeded the amount of savings in US health care spending expected from allowing the purchases. The legislation allowed using FSA/HSAs for OTCs if the products were prescribed.

The CHPA and other stakeholders immediately began pushing for returning OTCs as eligible products. But the change wasn't made until lawmakers in March 2020 agreed to include it as unrelated legislation in the first broad legislative package Congress passed for economic

stimulus in response to the COVID-19 pandemic. (Also see "[US Pandemic Relief Package Delivers OTC Industry Regulatory Wishes, Supplement Business Hopes](#)" - HBW Insight, 26 Mar, 2020.)

Although the CHPA had kept a spotlight on its FSA/HSA work and heralded the congressional passage, US consumers on the whole weren't quick to catch onto the change. In late 2020, the trade group used a digital campaign to explain that pre-tax accounts once again could be used for direct purchases of OTC drugs. (Also see "[Return Of Buying OTC Drugs With Pre-Tax Accounts Slow To Dawn On Consumers After 10-Year Sunset](#)" - HBW Insight, 15 Sep, 2020.)

SUPPORT FOR MAKING DIETARY SUPPLEMENTS ELIGIBLE FOR PURCHASES DOESN'T TRANSLATE TO CONSUMERS CHANGING THEIR FSA/HSA SPENDING OR STARTING ACCOUNTS.

According to the HSA & FSA Reimbursement Study, most consumers still aren't aware their FSA/HSAs are good for OTC drugs – of the total survey field of 1,892, 76% didn't know.

The awareness didn't get much better among the 1,119 of the total respondents who have FSA/HSAs – 64% said they didn't know. But the awareness is worse among the remaining 773 respondents who don't have pre-tax health savings accounts – 80% didn't know.

On the other hand, 37% of the FSA/HSA respondents knew they couldn't use their accounts of VMS products; 28% of the total knew.

The study report explained that an oversample of respondents with FSA/HSAs was included to ensure a sufficient sample to analyze. The data, including the oversample of respondents with HSAs/FSAs, is nationally representative of the US adult population and was weighted to match US Census characteristics.

SUPPORT FOR MAKING DIETARY SUPPLEMENTS ELIGIBLE FOR PURCHASES ALSO DOESN'T TRANSLATE TO INCREASING THE AMOUNTS CONSUMERS WOULD PUT IN THEIR HEALTH SAVINGS ACCOUNTS.

THE CHPA AND CRN SURVEY ALSO SHOWED LARGE SUPPORT FROM CONSUMERS FOR EXTENDING FSA/HSAs TO CONSUMER HEALTH CARE SPENDING BEYOND DIETARY SUPPLEMENTS AND OTC DRUGS.