



## **POSITION STATEMENT**

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# **Tax Policy Should Encourage Consumers to Make Beneficial Healthcare Choices Using Dietary Supplements**

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## **Flexible Spending Accounts Encourage Consumers to Make Cost-Effective Decisions for Their Healthcare**

- Flexible Spending Accounts (FSAs) provide consumers with tax incentives to make smarter decisions and to take greater control over their healthcare. With the rising costs of health care, consumers should be encouraged to use products and services that are cost-effective and that focus on prevention and wellness. Tax policies should encourage the use of a narrowly defined range of dietary supplements containing such beneficial nutrients as calcium, folic acid, antioxidant vitamins, and soy protein.

## **Dietary Supplements Provide Health Benefits to Millions of Americans**

- An estimated 150 million Americans use dietary supplements each year. Dietary supplements are a cost-effective way for consumers to take an active role in managing their healthcare. Combined with other healthful practices, dietary supplements are a component of smart lifestyle choices, playing a key role in preventative healthcare and overall good health.
- There is a growing body of scientific research that demonstrates the benefits of dietary supplements. The Food and Drug Administration (FDA), one of the government agencies which regulates the dietary supplement industry, has approved specific health claims, based on scientific research, for a number of dietary supplements.
- Research shows that consumers who take dietary supplements also are likely to engage in other health-promoting activities such as trying to eat a well-balanced diet, exercising habitually, visiting the doctor regularly, and getting enough sleep.

## **Certain Supplements Should Be Covered as Allowable, Deductible Expenses**

- The Internal Revenue Code defines “medical care” (Section 213d) 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.” Dietary supplements and meal replacement products that are qualified to make health claims fit into this definition and therefore should be recognized under the tax code as allowable deductible medical expenses.
- Consumers benefit when the government recognizes the substantial health benefits of those dietary supplements and meal replacement products eligible to bear an FDA-approved health claim. Expanding the FSA coverage to include these products will provide economic incentives for consumers to practice preventative healthcare.
- Dietary supplements that are “prescribed” or “recommended” by a doctor and most over-the-counter (OTC) medicines are already covered by FSAs. Dietary supplements carrying a health claim should also be covered—even when they are self-selected—because they offer similar benefits. The science behind dietary supplements that are eligible to carry these health claims has been thoroughly reviewed by FDA and substantiated by scientists.