

Healthcare

What expenses are considered eligible under a healthcare FSA program?

I elected to contribute \$100 per month or \$1,200 for the calendar year into a healthcare FSA. If I have \$100 in my account in January, but incur a \$300 expense, how much can I be reimbursed?

Your healthcare FSA will reimburse you the full \$300. With a healthcare FSA, you are eligible to receive up to your election amount beginning the first day of your plan year. In other words, you do not need to have contributed your full election in order to use your full election amount.

Will I need to submit any additional information to substantiate an expense being claimed for a medically necessary treatment?

In some cases, you will be asked to provide a “letter of medical necessity” from your physician to substantiate your claim. Treatments such as massage therapy or weight loss programs that can be for both medical and non-medical reasons may be subject to this requirement. Each claim will be reviewed and you will receive an explanation of the **denied** claim or a request for additional information required prior to the reimbursement of the claim.

If my spouse and I are employed by the same employer, can we claim each other’s expenses on our respective accounts?

You can either claim your spouses expenses on your healthcare FSA or your spouse can claim your expenses on his/her healthcare FSA. You both cannot file for the same expenses under both accounts. In other words, you cannot “double-dip”.

Are over-the-counter medicines and drugs eligible expenses?

Over-the-counter (OTC) medicines and drugs that are taken orally or applied to the body to alleviate or treat sickness, pain, injuries, or a medical condition such as allergy and cold medications, pain relievers such as aspirin and antacids, are eligible for reimbursement. Items such as vitamins, herbal and dietary supplements, cosmetic treatments or items that are for maintaining general good health are not eligible expenses.

Is there a limit to the amount of over-the-counter (OTC) drugs I may submit for reimbursement?

Yes. The quantity of over-the-counter drugs purchased and submitted for reimbursement must be reasonably able to be consumed during the current plan year. “Stock piling of drugs and medicines in anticipation of a medical condition or at the end of the plan year would be an ineligible request”.

If I have to travel out of state for healthcare services, are my travel expenses eligible?

Travel expenses may be eligible for reimbursement if primarily for and essential to medical treatment. You can refer to IRS publication 502.

Is corrective eye surgery (LASIK, Radial Keratotomy) eligible for reimbursement?

Yes, corrective eye surgery is an eligible expense. Be sure you are a candidate for the surgery before funding your account. If you find out you cannot have the surgery and you have contributed money into your FSA for the surgery, the IRS will not allow you to reduce your election.

Are dental veneers or teeth whitening eligible expenses?

No. Dental veneers and teeth whitening are generally considered cosmetic treatments and are therefore, ineligible expenses.

Can I pay my spouse's health insurance premiums through my Healthcare Flexible Spending Account (FSA)?

Although allowed as a medical deduction for individual taxpayers on their personal income tax returns, insurance premiums are not an eligible expense under IRS Section 125 Healthcare Flexible Spending Accounts (FSAs).

What happens to my account upon termination of employment?

Your eligibility to incur expenses ends when you terminate employment.