

Healthcare Expenses

FSA Healthcare Claims Process

A signed and dated claim form should be accompanied by one of the following:

- An Explanation of Benefits (EOB) from your insurance carrier showing the date of service and out-of-pocket expense(s). If the EOB indicates the procedure is not covered by your health insurance plan, you may be required to submit an itemized statement from the provider.
- For expenses not covered by insurance, an itemized statement from the service provider. The itemized statement should include the patient's name, date(s) of service, procedure description(s), provider name and the charge(s) for the service. Account balance statements, balance forward statements, cancelled checks, cash register receipts and credit card receipts are not acceptable third-party documentation (see below for special rule regarding cash register receipts for eligible over-the-counter medications). In some cases, a letter of medical necessity from a medical practitioner may be required.
- For prescription drugs, a pharmacy statement including the name of the pharmacy, patient's name, date of fill, cost, Rx number and name of the drug.
- An itemized cash register receipt for eligible over-the-counter medications. The name of the medication and the purchase date must be on the receipt.
- Dual-purpose are not reimbursable without a letter of medical necessity from a medical practitioner. For a list of dual-purpose items go to www.conexis.org/media/docs/CONEXISOTCListing.pdf.

Flexible Spending Healthcare Account Expense Matrix

Expense Description	Eligible?	Substantiation	Processing Notes
Abortion	Yes	Standard	Legal abortions only
Acne treatments	Yes	Standard	
Acupuncture	Yes	Standard	
Adoption, medical expenses	Potentially	Standard + legal documents pertaining to adoption	For medical expenses incurred before an adoption is finalized, if the child was a legal dependent when services were provided
Alcohol & drug rehab	Yes	Standard	
Allergy medicine	Yes	Standard	
Allergy products & home improvements to treat severe allergies	Potentially	Standard + letter of medical necessity	Examples of eligible expenses include: special vacuum cleaners, electro-static air purifiers, pillows and mattresses to alleviate certain allergies, etc. If the product would be owned without the allergy, then the expense is not considered eligible. See capital expenses
Alternative healers, dietary substitutes and drugs and medicines	Potentially	Standard + letter of medical necessity	
Ambulance transport	Yes	Standard	
Antacid	Yes	Standard	
Antihistamine	Yes	Standard	
Artificial limbs and teeth	Yes	Standard	
Aspirin	Yes	Standard	
Bactine	Yes	Standard	
Bandages	Yes	Standard	
Batteries for durable medical equipment	Yes	Standard	Participant must note usage of batteries on receipt

Expense Description	Eligible?	Substantiation	Processing Notes
Birth control pills	Yes	Standard	
Blood pressure monitoring devices	Yes	Standard	
Blood sugar test kit and test strips	Yes	Standard	
Body scan / diagnostic testing	Yes	Standard	
Braille books and magazines	Potentially	Standard + letter of medical necessity	If for the visually-impaired person, only the amount above the cost of regular printed material is reimbursable
Breast reconstruction surgery following mastectomy	Yes	Standard	
Burn garment	Yes	Standard	
Calamine lotion	Yes	Standard	
Capital expenses	Potentially	Standard + letter of medical necessity	The primary purpose of the expenditure must be for the medical care of the taxpayer, spouse, or dependent. The following information must be provided to determine eligibility: 1. A letter and/or prescription from a physician citing the medical necessity 2. A written certification that states the item is for the patient's individual use, or the percentage of use in relation to other members of the household 3. Third-party appraisal of the participant's home to substantiate the difference between the cost of capital expenditure and the increase in value to the participant's home (the cost of the appraisal is not reimbursable)
Carpal tunnel wrist supports	Yes	Standard	
Cayenne pepper	Potentially	Standard + letter of medical necessity	
Chelation (EDTA) therapy	Yes	Standard + letter of medical necessity	Only if used to treat a medical condition such as lead poisoning
Childbirth classes	Yes	Standard	See Lamaze and Personal-only expenses
Chiropractors	Yes	Standard	
Chondroitin	Potentially	Standard + letter of medical necessity	Only if used to treat a medical condition
Christian Science practitioners	Yes	Standard	
Circumcision	Yes	Standard	
Claritin	Yes	Standard	
COBRA premiums	No	N/A	
Coinsurance and deductibles	Yes	Standard	
Cold medicines	Yes	Standard	
Cold packs	Yes	Standard	
Cologne	No	N/A	
Condoms	Yes	Standard	
Contact lenses, materials and equipment	Yes	Standard	
Contraceptives	Yes	Standard	
Controlled substances in violation of federal law	No	N/A	
Copays	Yes	Standard	
Cosmetics	No	N/A	

Expense Description	Eligible?	Substantiation	Processing Notes
Cosmetic rx's	No	N/A	
CPR classes	Potentially	Standard + letter of medical necessity	
Decongestants	Yes	Standard	
Deductibles	Yes	Standard	
Dental visits (non-cosmetic)	Yes	Standard	Cosmetic dental procedures are not eligible
Dentures	Yes	Standard	
Deodorant	No	N/A	
Diabetic supplies	Yes	Standard	
Diagnostic services	Yes	Standard	
Diapers or diaper service for newborns	No	N/A	
Diaper rash ointments and creams	Yes	Standard	
Diarrhea medicine	Yes	Standard	
Dietary supplements	Potentially	Standard + letter of medical necessity	
Diet foods	No	N/A	Not unless recommended by a physician
Disabled dependent's qualified medical expenses	Yes	Standard	
DNA collection & storage	No	N/A	
Doula (birthing coach)	Potentially	Standard + letter of medical necessity	
Drug addiction treatment	Yes	Standard	
Drug overdose, treatment of	Yes	Standard	
Dual-purpose expenses (items that have both a medical and general/personal/cosmetic purpose)	Potentially	Standard + letter of medical necessity	
Durable medical equipment	Potentially	Standard + letter of medical necessity	Crutches, wheelchairs, nebulizers, etc.
Dyslexia	Potentially	Standard + letter of medical necessity	
Ear piercing	No	N/A	
Ear plugs	Potentially	Standard + letter of medical necessity	
Egg donor fees	Yes	Standard	
Eggs and embryos storage fees	Yes	Standard	Only temporary storage is eligible
Electrolysis or hair removal	No	N/A	
Elevator	Potentially	Standard + letter of medical necessity	See Capital Expenses
Exercise equipment or programs	Potentially	Standard + letter of medical necessity	Not unless recommended by a physician to treat a specific medical condition and the equipment would not otherwise be purchased but for treatment of the condition
Expenses reimbursed by a health reimbursement account (HRA)	No	N/A	
Eye examinations, eyeglasses, equipment and materials	Yes	Standard	
Face creams and moisturizers	No	N/A	
Face lifts	No	N/A	
Family counseling	Potentially	Standard + letter of	Not unless recommended to treat a mental disorder

Expense Description	Eligible?	Substantiation	Processing Notes
		medical necessity	
Feminine hygiene products (tampons, etc.)	No	N/A	
Fertility treatments	Yes	Standard	
Fiber supplements	Potentially	Standard + letter of medical necessity	Only if recommended by a physician
First aid cream	Yes	Standard	
First aid kits	Yes	Standard	
Flu shots	Yes	Standard	
Fluoridation device	Yes	Standard	
Foods	Potentially	Standard + letter of medical necessity	See Special foods; Meals; Alternative healers, dietary substitutes; Drugs and medicines; and Personal-only expenses
Founder's fee	No	N/A	
Gauze pads	Yes	Standard	
Genetic testing	Potentially	Standard + letter of medical necessity	If ordered for medical care
GIFT	Yes	Standard	
Glucosamine	Potentially	Standard + letter of medical necessity	See Dual-purpose expenses
Glucose monitoring equipment	Yes	Standard	
Glucose tablets	Yes	Standard	
Guide dog; other animal aide	Potentially	Standard + letter of medical necessity	
Hair colorants	No	N/A	
Hair removal and transplants	No	N/A	
Hand lotion	No	N/A	
Health club dues and fees	Potentially	Standard + letter of medical necessity	Not unless recommended by a physician
Health institute fees	Potentially	Standard + letter of medical necessity	Not unless recommended by a physician
Hearing aids	Yes	Standard	
Hemorrhoid treatments	Yes	Standard	
Herbs	Potentially	Standard + letter of medical necessity	
Hormone replacement therapy (HRT)	Potentially	Standard + letter of medical necessity	Only if used to treat a medical condition
Hospital services	Yes	Standard	
Hot packs	Yes	Standard	
Household help	No	N/A	
Illegal operations and treatments	No	N/A	
Immunizations	Yes	Standard	
Inclinators	Yes	Standard	
Incontinence supplies	Yes	Standard	
Insect bite creams and ointments	Yes	Standard	
Insulin	Yes	Standard	
Insurance premiums	No	N/A	
Laboratory fees	Yes	Standard	
Lactaid	Yes	Standard	
Lactation consultant	Potentially	Standard + letter of	

Expense Description	Eligible?	Substantiation	Processing Notes
		medical necessity	
Lamaze classes	Yes	Standard	Only the portion of the class covering the birthing process is covered
Language training	Potentially	Standard + letter of medical necessity	
Lasik eye surgery	Yes	Standard	
Laxatives	Yes	Standard	
Lead-based paint removal	Potentially	Standard + letter of medical necessity	Eligible if done to prevent a child who has or had lead poisoning from eating the paint. The wall surface must be within the child's reach
Learning disability	Potentially	Standard + letter of medical necessity	If for a child with dyslexia or a disabled child. But school fees for regular schooling normally don't qualify
Lifetime care-advance payments	No	N/A	
Lipsticks	No	N/A	
Liquid adhesive for small cuts	Yes	Standard	
Lodging at a hospital or similar institution (patient only)	Yes	Standard	
Lodging of a companion	Yes	Standard	If accompanying a patient for medical treatment
Lodging not at a hospital or similar institution	Yes	Standard	Up to \$50 per night if the lodging is primarily for and essential to medical care. The service must be provided by a physician in a licensed hospital or medical care facility equivalent to a licensed hospital. An additional \$50 per night may be reimbursable for a parent or companion who must accompany the patient
Lodging while attending a medical conference	No	N/A	
Long-term care premiums	No	N/A	
Make-up	No	N/A	
Marijuana or other controlled substances in violation of federal law	No	N/A	
Marriage counseling	No	N/A	
Massage therapy	Potentially	Standard + letter of medical necessity	
Mastectomy-related special bras	Potentially	Standard + letter of medical necessity	Not unless recommended to treat a mental disorder
Maternity clothes	No	N/A	
Meals at a hospital or similar institution (Patient Only)	Yes	Standard	Only meals for the person receiving care are eligible
Meals not at a Hospital or Similar Institution	No	N/A	
Meals of a companion	No	N/A	
Meals; attending a medical conference	No	N/A	
Medic Alert bracelet or necklace	Yes	Standard	
Medicare part b premiums	No	N/A	
Medical conference admission	Potentially	Standard + letter of medical necessity	

Expense Description	Eligible?	Substantiation	Processing Notes
Medical information plan changes	Yes	Standard	
Medical monitoring and testing devices	Yes	Standard	
Medical newsletter	No	N/A	
Medical records charges	Yes	Standard	
Medical services	Yes	Standard	
Menstrual pain relievers	Yes	Standard	
Motion sickness pills	Yes	Standard	
Mouthwash	No	N/A	
Nail polish	No	N/A	
Nasal strips or sprays	Potentially	Standard + letter of medical necessity	
Naturopathic healers	Potentially	Standard + letter of medical necessity	
Nicotine gum or patches	Yes	Standard	
Non-prescription drugs used to treat a specific medical condition	Yes	Standard	
Non-prescription drugs used for general health and /or cosmetic purposes	No	N/A	
Non-prescription drugs- dual purpose	Potentially	Standard + letter of medical necessity	
Norplant insertion or removal	Yes	Standard	
Nursing home expenses	No	N/A	
Nursing services provided by a nurse or other attendant	Yes	Standard	
Nursing services for a baby	No	N/A	
Nutritionist's professional expenses	Potentially	Standard + letter of medical necessity	
OB/GYN	Yes	Standard	
Occlusal guards	Yes	Standard	
Office visits	Yes	Standard	
One-a-day vitamins	No	N/A	
Operations	Yes	Standard	Legal operations only
Optometrist	Yes	Standard	
Organ donors	Yes	Standard	
Orthodontia	Yes	Standard	
Orthopedic shoes and inserts	Yes	Standard	The excess cost over ordinary shoes
Osteopath fees	Yes	Standard	
OTC pregnancy tests/fertility monitors	Yes	Standard	
Ovulation monitor	Yes	Standard	
Oxygen	Yes	Standard	
Pain relievers	Yes	Standard	
Patterning exercises	Yes	Standard	
Perfume	No	N/A	
Permanent waves	No	N/A	
Personal-only expenses	Potentially	Standard + letter of medical necessity	
Physical exams	Yes	Standard	Not employment related exams

Expense Description	Eligible?	Substantiation	Processing Notes
Physical therapy	Yes	Standard	
Podiatrist	Yes	Standard	
Pregnancy test kits	Yes	Standard	
Prenatal vitamins	Yes	Standard	
Prescription drugs used to treat a specific medical condition	Yes	Standard	
Prescription drugs used for general health and/or cosmetic purposes	No	N/A	
Prescription drugs-dual purpose	Potentially	Standard + letter of medical necessity	Not unless the item is used primarily to prevent or alleviate a physical or mental defect or illness
Prescription drugs imported from another country	No	N/A	
Prescription drug discount programs	No	N/A	
Prescription eyeglasses	Yes	Standard	
Propecia	Potentially	Standard + letter of medical necessity	Not unless hair loss is due to a medical condition
Prosthesis	Yes	Standard	
Psychiatrist	Yes	Standard	
Psychoanalysis	Yes	Standard	
Psychologist	Yes	Standard	Drugs used to treat a specific medical condition
Radial keratotomy	Yes	Standard	
Reading glasses	Yes	Standard	
Recliner chairs	No	N/A	
Retin-A	Potentially	Standard + letter of medical necessity	
Reversal of tubal ligation or vasectomy	Yes	Standard	
Rogaine	Potentially	Standard + letter of medical necessity	Not unless hair loss is due to a medical condition
Rubbing alcohol	Yes	Standard	
Safety glasses	No	N/A	
Sales tax on qualified medical expenses (e.g. OTC medications)	Yes	Standard	Sales tax will automatically be reimbursed if receipt contains only FSA-eligible expenses. If not the participant is responsible for calculating the sales tax in order for it to be reimbursed.
Schools and education, residential	No	N/A	
School and education, special	Potentially	Standard + letter of medical necessity	Only if recommended by a physician
Screening tests	Yes	Standard	
Shaving cream and lotion	No	N/A	
Shipping and handling fees on eligible expenses	Yes	Standard	
Sick-child facility	No	N/A	
Sinus medications	Yes	Standard	
Skin moisturizers	No	N/A	
Sleep deprivation treatment	Potentially	Standard + letter of medical necessity	
Smoking cessation	Yes	Standard	

Expense Description	Eligible?	Substantiation	Processing Notes
Special foods	Potentially	Standard + letter of medical necessity	
Spermicidal foam	Yes	Standard	
Sperm storage fees	Potentially	Standard + letter of medical necessity	Temporary storage only
St. John's Wort	Potentially	Standard + letter of medical necessity	
Stem cell, harvesting and/or storage	Potentially	Standard + letter of medical necessity	
Sterilization procedures	Yes	Standard	
Student health fee	No	N/A	
Sunglass clips	No	N/A	
Sunglasses (prescription)	Yes	Standard	
Sunglasses (non-prescription)	No	N/A	
Sunburn creams and ointments	Potentially	Standard + letter of medical necessity	
Sunscreen	No	N/A	
Supplies to treat medical condition	Yes	Standard	
Surrogate expenses	No	N/A	
Take-home drug test	No	N/A	
Take-home pregnancy test	Yes	Yes	
Take-home urinary tract infection test	Yes	Standard	
Tanning salons and equipment	No	N/A	
Teeth whitening	No	N/A	
Telephone for hearing-impaired persons	Yes	Standard	
Therapy	Yes	Standard	
Thermometers	Yes	Standard	
Throat lozenges	Yes	Standard	
Toiletries	No	N/A	
Toothache and teething pain relievers	Yes	Standard	
Toothbrushes	No	N/A	
Toothpaste	No	N/A	
Transplants	Yes	Standard	
Transportation to and from medical conference	Potentially	Standard + letter of medical necessity	See, Medical conference admission, transportation, meals, etc.
Transportation and travel expenses for person receiving medical care	Yes	Standard	Mileage is reimbursable at 18 cents per mile for 2006
Transportation of someone other than the person receiving medical care	Potentially	Standard	Only certain cases are reimbursable. 1) A parent who must travel with a sick child receiving medical care. 2) A nurse or other person who administers medication or injections to a patient. 3) An individual's visits to a mentally-ill dependent, if recommended as part of treatment
Tubal ligation	Yes	Standard	
Umbilical cord, freezing and storing of	Potentially	Standard + letter of medical necessity	Collection and storage of indefinitely "in case needed" is not eligible for reimbursement
Vaccines	Yes	Standard	

Expense Description	Eligible?	Substantiation	Processing Notes
Varicose veins, treatment of	Yes	Standard	
Vasectomy	Yes	N/A	
Veneer	No	N/A	
Viagra	Yes	Standard	
Virtual physical (body scan)	Yes	Standard	
Vision discount programs	No	N/A	
Vitamins	No	N/A	
Walker	Yes	Standard	
Wart remover treatments	No	N/A	Only to treat a medical condition
Weight-loss programs and/or drugs prescribed to induce weight loss	Potentially	Standard + letter of medical necessity	Only if recommended by a physician
Wigs	Potentially	Standard + letter of medical necessity	Not unless hair loss is due to a medical condition
X-rays	Yes	Standard	

Dependent Care Account Expenses

Dependent Care Claims Process

A signed and dated claim form must accompany each claim.

- Dependent care expenses must be incurred to allow you and your spouse (if married) to work or look for work. Work includes actively looking for work, but not unpaid volunteer work or volunteer work for a nominal salary. Your spouse is considered to have worked if they are a full-time student for at least five calendar months during the tax year, or if they are physically or mentally incapable of self-care.
- You may not claim any other tax benefit for the tax-free amounts received by you under the dependent care FSA, although the balance of your eligible employment-related expenses may be eligible for the dependent care credit. Please consult your tax advisor to determine whether the tax credit may be more favorable to you than participating in the dependent care FSA.
- The child of a divorced or separated employee who has custody of the child is treated as a qualifying individual of the employee. This rule applies even when the non-custodial parent is entitled to the dependency exemption because the custodial parent has released the claim to the exemption. A divorced, non-custodial parent cannot be reimbursed under a DCAP; the divorced, custodial parent can be reimbursed.
- If both the participant and the provider certifications on the claim form are completed and signed, additional documentation is not required.
- For claim forms without the provider's signature, an itemized statement from the dependent care provider is required.
- Itemized statements should include the date(s) of service, the name and date of birth of the dependent, itemization of charges and the provider's name, address, and Tax ID/SS number.
- Expenses paid for dependent care while off work due to illness may be eligible for reimbursement.

Dependent Care Expense Matrix

Expense Description	Eligible?	Substantiation	Processing Notes
After school care	Yes	Standard	
Care for child 13 or older	No	N/A	
Care for disabled or elderly dependent	Yes	Standard	
Care for person not residing w/ participant	No	N/A	
Childcare placement agency fees	No	N/A	
Early morning care	Yes	Standard	
Fieldtrip/activity fees	No	N/A	
Lessons in lieu of care	No	N/A	
Materials fees	No	N/A	
Meals	No	N/A	
Nanny	Yes	Standard	Only actual care of the dependents is eligible
Overnight camp	No	N/A	
School tuition for kindergarten or above	No	N/A	
Sick child facility	Yes	Standard	
Summer day camp	Yes	Standard	
Transportation expenses to/from care	No	N/A	
Tuition for pre k/nursery school	Yes	Standard	

Orthodontia Expenses

Orthodontia Claims Process

Necessary Documentation for Ortho Claims:

- A signed and dated claim form
- A treatment plan that includes the total case fee, initial and monthly fees and the estimated length of treatment (start and end dates)
- An itemized statement from the servicing provider
- An EOB from the dental insurance carrier if insurance paid
- Proof of payment is needed for reimbursement of future services

Example: 24 Month Orthodontia Contract/Cost = \$3500.00 including a \$500 charge for initial treatment (banding) expenses.

- Treatment Start Date: August 1, 2005
- Estimated Completion Date: July 31, 2007
- Plan Year: January – December

Lump Sum Approach Example: Documentation must include treatment start date, anticipated treatment end date, proof of payment and completed claim form.

2005 - Fees associated with initial treatment expenses (i.e. banding) + fees incurred within the 2005 plan year. 5 months of 2005 (Aug, Sep, Oct, Nov, Dec) x \$125 = \$625 + \$500 for initial treatment.	\$1,125
2006 - Fees considered incurred within the 2006 plan year (\$125 x 12)	\$1,500
2007 - Fees considered incurred within the 2007 plan year (Treatment completed end of July 2007 - 7 mos. x \$125)	\$875
Total Orthodontia Treatment Expense	\$3,500

Monthly Approach Example: (A treatment plan or itemized statement and a completed claim form is required with the initial contract/banding claim. For ongoing monthly claims, an itemized statement or payment coupon from the provider and a signed claim form are required)

August 2005 - August Initial Treatment Expense (i.e. banding)	\$500
August 2005 - August Regular Monthly Expense	\$125
September 2005 - December 2005 - Participant submits a \$125 claim each month (4 mos x \$125). Four separate claims.	\$500
2006 - Regular Monthly Expenses -Participant submits \$125 claim each month - (12 mos x \$125). Twelve separate claims.	\$1,500
2007 -Regular Monthly Expenses - Participant submits \$125 claim each month - (7 mos x \$125) Seven separate claims. Treatment completed end of July 2007	\$875
Total Orthodontia Treatment Expenses	\$3,500