

## What Expenses Can Be Reimbursed Under a Health FSA?

Following is a list of some common expenses normally reimbursable under a Non-reimbursed Medical Flexible Spending Account, when incurred during the Plan year by the employee, the employee's spouse, and/or the employee's dependent. For an expense to be reimbursable under a Non-reimbursed Medical Flexible Spending Account, the expense must be for "medical care". A physician's certification of medical need may be requested prior to any/all reimbursements. The IRS defines "medical care" as amounts paid:

- For the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body;
- For transportation primarily for and essential to the medical care referred to above.

For expenses, other than those listed here, the following criteria apply:

- The expense must be primarily for a medical purpose;
- Where personal expenses are involved, the expense was incurred solely due to the medical condition; and
- Unreasonably expensive methods of achieving the medical result are not permitted.

### Why is a Non-reimbursed Medical Spending Account more valuable, in most cases, than an income tax deduction?

- Many families owe no income tax so the deduction is of no benefit to them;
- Since most individuals do not itemize, most taxpayers fail to qualify for the deduction, which is only available to those who itemize;
- Higher-income individuals are more likely to itemize than lower-income individuals;
- Even for taxpayers who do itemize, the deduction doesn't help because most non-reimbursed medical expenses do not exceed 7.5% of adjusted gross income;
- Individuals with health insurance are usually reimbursed for some medical expenses, reducing the chances they will pay much out-of-pocket.

**Abortion** (Legal Abortion only)

**Acupuncture\***

**Air conditioner\***

**Air purifier\***

**Alcoholism\*** (Amount paid for inpatient treatment, including meals and lodging, at a therapeutic center for alcohol addiction. Transportation costs you pay to attend Alcoholics Anonymous meetings, if your attendance is pursuant to medical advice to treat a medical condition)

**Ambulance**

**Artificial Limb**

**Artificial teeth**

**Automobile Modifications** (for physically handicapped person)

**Birth control pills**

**Blood Pressure monitoring devices**

**Braille books and magazines** (Amount paid above the cost of regular printed material)

**Breast pumps\***

**Capital Expenses\*** (Amounts you pay for special equipment installed in your home, or for improvements, if their main purpose is medical care for you, your spouse, or a dependent)

**Chinese herbal doctor & herbal treatments** (Only if legal under state law)

**Chiropractors**

**Christian Science Practitioners\*** (If payments are for medical care)

**Coinurance amounts and deductibles**

**Contact Lenses** (Also materials and equipment needed for using lenses, such as saline solution and enzyme cleaner)

**Contraceptives** (over-the-counter contraceptives included)

**Cosmetic Surgery\*** (Surgery necessary to improve a deformity arising from congenital abnormality, personal injury from an accident or trauma, or a disfiguring disease)

**Counseling\*** (Marriage counseling is ineligible)

**Crutches**

**Dancing Lessons\***

**Dental Treatment**

**Diagnostic services**

**Diapers or diaper services\***

**Ear plugs\***

**Exercise Equipment\***

**Eye examinations and eyeglasses**

**Fees for sperm or embryo storage** (To the extent necessary for immediate conception)

**Fertility treatments (e.g., treatments, surgery, GIFT, etc.)** (To the extent the treatment impacts the participant or a dependent of the participant. Expenses paid to or for an in vitro surrogate may not be deductible unless the surrogate is a tax dependent)

**Flu Shots**

**Fluoridation device**

**Genetic Testing** (To the extent it is done to determine possible defects)

**Guide dog or other animal aide** (Purchase, training, and care)

**Hearing aids and batteries**

**Immunizations**

**Insulin**

**Laboratory Fees**

**Lamaze Classes**

**Language training for child with dyslexia or disabled child**

**Laser eye surgery**

**Lead-based paint removal** (The cost of removing lead-based paints from surfaces in the home to prevent a child who has or has had lead poisoning from eating the paint. These surfaces must be in poor repair and within the child's reach)

**Learning disability\*** (Amount paid to special school or specially-trained teacher, which is prescribed by a physician, for a child who has a severe learning disability caused by mental or physical impairments)

**Legal fees\*** (Amount paid toward legal fees to authorize treatment for mental illness may be deductible. Legal fees incident to divorce, even if prescribed by a physician, are not deductible)

**Massage therapy\*** (If prescribed by a physician to treat a specific injury or trauma -not to relieve stress or depression)

**Mastectomy – related special bras\*** (If prescribed by a physician for mental health treatment)

**Medic alert bracelet or necklace\***

**Medical conference admission and transportation to/from** (If primarily essential to the medical care of a dependent)

**Medical Information Plan** (Medical expense amounts paid to a plan that keeps your medical information so that it can be retrieved from a computer data bank for your medical care)

**Medical monitoring and testing devices** (blood pressure monitor, syringes, glucose kit, etc.)

**Medical records charges** (Fee associated with transferring medical records to a new practitioner)

**Mentally Retarded, Special Home for \*** (The cost of keeping a mentally retarded person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living)

**Naturopathic expenses** (Expenses of professional – if legal)

**Norplant insertion or removal**

**Nursing Home** (The cost of medical care in a nursing home or home for the aged for yourself, your spouse, or your dependents. This includes the cost of meals and lodging in the home if the main reason for being there is to get medical care. Does not include the cost of meals and lodging if the reason for being in the home is personal)

**Nursing services\***

**Nutritionist's professional expense\*** (As long as treatment relates to a specifically diagnosable medical condition such as high blood pressure, obesity, etc.)

**Occlusal guards to prevent teeth grinding**

**Organ Donors** (Only if the expenses were incurred by the participant, the participant's spouse, or the participant's dependent)

**Orthodontia** (Only as services are incurred)  
**Osteopath**  
**Over-the Counter Medicines, Drugs, and Supplies\*\***  
**Ovulation monitor**  
**Oxygen**  
**Patterning exercises**  
**Physical exams** (Excluding employment and sports related physicals)  
**Physical therapy\***  
**Prescription sunglasses**  
**Pregnancy test – over-the-counter**  
**Psychiatric care**  
**Rogaine\***  
**Safety glasses\***  
**Schools and Education, Special Needs** (Special school for a mentally impaired or physically disabled person if the main reason for using the school is its resources for relieving the disability)  
**Sleep deprivation testing and treatment**  
**Smoking cessation program\***  
**Special foods (e.g., gluten free or salt free diet)\*** (to the extent the cost exceeds

cost of commonly available versions of the same product)  
**Sterilization**  
**Supplies to treat medical condition (e.g., bandages, gauze, batteries for hearing aids, etc)\***  
**Swimming lessons\***  
**Tanning salons and equipment\***  
**Telephone** (The cost of special telephone equipment that lets a hearing-impaired person communicate over a regular telephone)  
**Travel expenses for person seeking treatment**  
 Amounts paid for transportation primarily for, and essential to, medical care. Includes parking fees and tolls. You can include:  
 ➤ Bus, taxi, or plane fares or ambulance service,  
 ➤ Transportation expenses of a parent who must go with a child who needs medical care  
 ➤ Transportation expenses of a nurse or other person who can

give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and  
 ➤ Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment.

**Transplants**  
**Tuition for special needs program (e.g., reading program for dyslexia)\***  
**Vaccines**  
**Vasectomy**  
**Vitamins\*** (If only available by prescription)  
**Weight loss program and/or drugs \***  
**Wheelchair**  
**Wigs\*** (If prescribed for the mental health of the patient)  
**X-ray fees**

*\*If prescribed by a physician to treat a specific medical condition. Certification of medical need may be required.*



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**Why Providing Documentation is Important**

- The IRS has provided strict requirements stating that expenses reimbursed through a Flexible Spending Account must be substantiated using itemized receipts, bills, statements or Explanation of Benefits. All supporting documentation must reflect the vendor name, vendor contact information, date purchase/expense was incurred, a description of the expense and the expense amount. Health Care claims submitted without eligible documentation cannot be approved for payment, per IRS regulations. If your claim is declined for improper documentation, or if the expense is deemed as ineligible, you will be notified by IEB via U.S. Mail Service.
- Credit card slips are not eligible receipts as they show only payment information. Please submit either an itemized statement from your provider or an Explanation of Benefits from your insurance. Either of these would include the date of service, charges, service provided and the final patient responsibility.
- If you use your benefit card to pay for an expense that is not eligible under the IRS regulations, you will receive a notification via email or USPS requesting that you reimburse the Flex account for the ineligible expense.