

# ELIGIBLE AND INELIGIBLE EXPENSES

You can use your Health Reimbursement Account (HRA), Health Savings Account (HSA) or Health Care Flexible Spending Account (FSA) to reimburse yourself for health care medical and dental expenses that qualify as federal income tax deductions (whether or not they exceed the IRS minimum applied to these deductions) under Section 213(d) of the tax code.\*

## Whose expenses can be reimbursed?

**HSA** - Money in the HSA can be used to reimburse yourself for medical and dental expenses incurred by you, your spouse or eligible dependents (children, siblings, parents and others who are considered an exemption under Section 152 of the tax code).

**HRA** - Money in the HRA can only be used to pay for eligible medical expenses incurred by employees and their dependents enrolled in the HRA. An employer may limit what expenses are eligible under an HRA plan.

**Health Care FSA** - Money in the FSA can be used to reimburse yourself for medical and dental expenses incurred by you, your spouse or eligible dependents (children, siblings, parents and other dependents as defined in your plan documents).

"Medical care" expenses as defined by IRS Code, Section 213(d) include amounts paid for the diagnosis, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be to alleviate or prevent a physical defect or illness. Expenses solely for cosmetic reasons generally are not expenses for medical care. Examples include face lifts, hair transplants, and hair removal (electrolysis). Also, expenses that are merely beneficial to one's general health (for example, vacations) are not expenses for medical care.

The following guidelines relate to expenses currently allowed and not allowed by the Internal Revenue Service as deductible medical expenses. This list is not necessarily inclusive or exclusive. It is based on Cigna's interpretation of IRC Section 213(d) and is not intended to be legal or tax advice.

Questions regarding reimbursable health care expenses should be referred to a tax consultant.

\* **Please note that the list is subject to change** based on regulations, revenue rulings and case law. The list is intended only as a general guideline for covered expenses. All items on the list may be subject to further restriction. An employer may limit which expenses are allowable under their FSA or HRA plan offering. You will not be able to use these spending accounts to pay for most over-the-counter drugs and medicines unless you have a doctor's prescription. You will not need a prescription for insulin and diabetic supplies.

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## Alphabetical list of covered and not covered items

The following is an alphabetical list of frequently encountered items. Some of these items may be reimbursed, and some may not. Each item is followed by a brief note of explanation.

### A

**Abortion** – Medical expenses associated with a legal abortion are reimbursable.

**Acid controllers** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Acne laser treatment** – Expenses paid for acne treatment are covered.

**Acne medications** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Acupuncture** – Medical expenses paid for acupuncture are reimbursable.

**Adoption** – The cost of the adoption itself is not covered, however things like physicals for the adoptive parents, pre-adoption counseling, and other health related expenses may be covered.

**Adult diapers** – Expenses paid for adult diapers are reimbursable.

**After-sun gel/lotions with aloe** – (Will require a doctor's prescription for reimbursement); Expenses for medicated gels and lotions to treat effects of sun exposure are covered.

**Age Management Systems (Cenegenics)** – This is a comprehensive, evidence-based approach to age management and includes a set of diagnostics establishing a hormonal, metabolic and physical baseline. This is considered general well-being and would not be covered (unless prescribed by a health care professional to treat a medical condition).

**Airplane air contaminant protection** – (Will require a doctor's prescription for reimbursement); Expenses paid for over-the-counter medications to prevent the spread of airborne contaminants while flying are reimbursable.

**Alcoholism and drug abuse** – Medical expenses paid to a treatment center for alcohol or drug abuse are reimbursable. This includes meals and lodging provided by the center during treatment.

**Allergy and sinus** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Alternative health care professionals** – Expenses paid to alternative health care professionals or homeopathic or holistic treatments or procedures are generally not covered unless to treat a specific medical condition. Naturopathic procedures or treatments using natural agents such as air, water or sunshine are generally not reimbursable. Explanation of necessity required.

**Ambulance** – Medical expenses paid for ambulance service are reimbursable.

**Antibiotic products, non-prescribed** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Anti-itch and insect bite** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Artificial limb** – Medical expenses paid for an artificial limb are reimbursable.

**Artificial teeth** – See Medical aids.

**Attendant** – See Nursing services.

**Automobile** – See Car.

### B

**Back brace** – Expenses paid for a back brace are reimbursable when submitted with an explanation of necessity.

**Batteries** – Expenses paid for the purchase of batteries are reimbursable when they are used for the sole purpose of an item that is also covered. This would include, but not be limited to, batteries for blood pressure machines, wheelchairs, heart defibrillators, etc. Request for reimbursement should include a description of the item the batteries are purchased for.

**Benefit maximum** – Expenses denied by medical insurance as benefit maximum(s) have been exhausted are reimbursable.

**Birth control pills and devices** – Medical expenses paid for birth control pills, injections and devices are reimbursable.

**Birthing tub** – The cost of rental or purchase is reimbursable.

**Blood pressure monitor** – Expenses paid for the purchase of the monitor are reimbursable.

**Braille books and magazines** – The amount by which the cost of Braille books and magazines for use by a visually impaired person exceeds the price for regular books and magazines is reimbursable.

**Breast augmentation** – Expenses related to breast augmentation (such as implants or injections) are not reimbursable because the procedure is cosmetic in nature. However, medical costs related to the removal of breast implants that are defective or are causing a medical problem are reimbursable.

**Breast pump, shields, gel pads** – These items are reimbursable.

**Breast reduction** - Medical expenses related to breast reduction surgery are reimbursable only with a physician's diagnosis letter explaining that the procedure is medically required (that is, to prevent or treat an illness or disease) and not for cosmetic purposes.

**Breathing strips** - (Purchase of medicated strips will require a doctor's prescription for reimbursement); see Over-the-counter medications. Expenses paid for the purchase of the strips are reimbursable.

## C

**Capital expenses** - If their main purpose is medical care, capital expenses paid for special equipment installed in a participant's home or for improvements to the home are reimbursable.

**Car** - Medical expenses are reimbursable for special hand controls and other special equipment installed in a car for the use of a person with disabilities. Also, the amount by which the cost of a car specially designed to hold a wheelchair exceeds the cost of a regular car is a reimbursable medical expense. However, the cost of operating a specially-equipped car is not reimbursable. See Transportation.

**Chair** - The cost of a reclining chair purchased on the advice of a physician to alleviate a heart, back or other condition is reimbursable.

**Child care** - See Dependent day care expenses.

**Childbirth classes** - Expenses for childbirth classes are reimbursable, but are limited to expenses incurred by the mother-to-be. Expenses incurred by a "coach," even if that is the father-to-be, are not reimbursable. To qualify as medical care, the classes must address specific medical issues, such as labor, delivery procedures, breathing techniques and nursing.

**Chiropractor** - Expenses paid to a chiropractor for medical care are reimbursable.

**Christian Science practitioners** - Medical expenses paid to Christian Science practitioners are reimbursable.

**Clinic** - Medical expenses for treatment at a health clinic are reimbursable.

**Clothing** - The cost of clothing - even if prescribed - that substitutes for normal clothing is not deductible. However, prescribed special clothing purchased to alleviate or treat an illness or disease is reimbursable only to the extent that the cost is greater than the cost of the item(s) commonly available.

**COBRA premiums** - COBRA premiums that you pay for yourself or your eligible dependents are not reimbursable under a health care FSA. However, COBRA premiums are reimbursable under an HRA or HSA.

**Coinsurance amounts** - Medical coinsurance amounts and deductibles are reimbursable.

**Composite fillings** - White (composite) fillings are covered.

**Compound medications** - Medications produced by medical professionals to treat a medical condition are reimbursable.

**Conference** - Amounts paid by an individual for admission and transportation expenses to a medical conference relating to the chronic disease of the individual or the individual's eligible dependent are deductible if the costs are primarily for and essential to the medical care of the chronic disease. The cost of meals and lodging while attending the conference are not deductible as medical expenses. The claim submission must include the diagnosis.

**Contact lenses** - See Vision care.

**Copies of medical records or radiographs** - Payments required to have medical records or radiographs duplicated are reimbursable.

**Corn pads** - (Purchase of medicated corn pads will require a doctor's prescription for reimbursement); see Over-the-counter medications. Expenses paid for the purchase of corn pads are reimbursable.

**Cosmetic procedures** - Medical expenses for cosmetic procedures are reimbursable only if the procedure is necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease. However, medical expenses paid for other cosmetic procedures are not deductible medical expenses under IRC Section 213(d), and thus are not reimbursable. This applies to any procedure that is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease. For example, face lifts, hair transplants, hair removal (electrolysis), liposuction, teeth bleaching and dental veneers are generally not deductible. If there is a concern that a medical or dental procedure could be considered cosmetic, a physician's diagnosis letter is required.

**Cough, cold and flu medicines** - (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**CPAP (Sleep Apnea)** - Machine supplies are covered.

**CPR classes** - Expenses paid for CPR classes as part of birthing classes are reimbursable, otherwise a physician's diagnosis letter for the family member is required.

**Crutches** - Medical expenses paid to buy or rent crutches are reimbursable.

**Cushions** - The cost of cushions, including inflatable, are not covered (unless prescribed by a physician to treat a medical condition).

## D

**Dancing lessons, swimming lessons, etc.** – Dancing lessons, swimming lessons, etc., are not reimbursable, even if they are recommended by a doctor.

**Day-after pill** – Expenses paid for the purchase of pills to eliminate pregnancy risk are reimbursable.

**Day care** – See Dependent day care expenses.

**Deductibles** – Medical insurance deductibles and coinsurance amounts under the employer's plan are reimbursable.

**Dental enamel micro-abrasion** – This is also known as dental bleaching. Service is only covered when recommended by a health care professional to treat a medical condition.

**Dental treatment** – Medical expenses for dental treatment are reimbursable. This includes fees paid to dentists for X-rays, models and molds, fillings, braces, extractions, dentures, dental implants and the difference in cost from insurance-approved restorations and alternative materials, etc. Veneers are covered only when medically necessary, but are not covered for purely cosmetic reasons. See Cosmetic procedures.

**Dependent day care expenses** – Dependent day care expenses are not reimbursable under a health care FSA, HRA or HSA, but may be reimbursable under a dependent care FSA.

**Diaper service** – Payments for diapers or diaper services are not reimbursable unless they are needed to relieve the effects of a particular disease.

**Diets** – See Special foods.

**Disability** – See Braille books and magazines; Capital expenses; Car; Guide dog or other animal; Learning disability; Mentally disabled, special home for; Personal use items; Schools, special; Television; Therapy; Transportation; and Wheelchair.

**Donor egg extraction** – Procedural expenses paid for the process of donor egg extraction to treat infertility are reimbursable.

**Doula** – Expenses paid for a doula whose primary purpose is for delivery of the infant are reimbursable. Charges where the primary purpose is child care after delivery are not covered. An explanation of the primary purpose should accompany the claim.

**Driving lessons** – Service is only covered when recommended by a health care professional in order for the handicapped person to learn to use special vehicle equipment.

**Drugs** – See Medicines.

**Drug addiction** – See Alcoholism and drug abuse.

**Dry cast, protectors** – Expenses paid for the purchase of dry casts and bandage protectors are reimbursable.

## E

**Earmolds** – Expenses paid for the purchase of earmolds are reimbursable.

**Ear piercing** – Expenses for ear piercing are not reimbursable.

**Ear wax removal** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications. Expenses paid for the purchase of ear wax removal kits are reimbursable.

**Electric toothbrush** – Expenses paid for the purchase of electric toothbrushes are reimbursable when submitted with a physician's diagnosis letter.

**Electrolysis or hair removal** – See Cosmetic procedures.

**Embryo storage** – Expenses paid for embryo storage are reimbursable.

**Employment-related expenses** – Employment-related expenses such as employment physicals are not reimbursable. (Note, however, that physical exams that are not employment-related are reimbursable.) See Physical exams.

**Employment taxes** – See Nursing services.

**Exercise equipment** – The cost of exercise equipment for general well-being is not reimbursable. If the equipment is prescribed by a physician to treat specific medical conditions (e.g., diabetes), then the expense should be reimbursable. A physician's diagnosis letter is required.

**Eye drops** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Eyeglasses** – See Vision care.

## F

**Fitness programs** – Fitness programs or physical therapy for general health are not reimbursable.

**Fluoride, prescribed** – Expenses paid for fluoride toothpaste or rinses prescribed to treat a specific medical condition are covered. A physician's diagnosis letter is required.

**Food** – See Special foods.

**Forms completion** – Charges incurred by an individual for a health care professional's completion of required forms (e.g., disability forms) are reimbursable.

**Funeral expenses** – Expenses for funerals are not reimbursable.

## G

**Gauze and/or gauze bandages** – Purchase of these items is reimbursable.

**Genesis** – Expenses paid for genesis to treat conditions such as rosacea are reimbursable.

**Gift cards** – Gift cards can be used to purchase items and the receipts for those items can then be submitted for reimbursement.

**Glucose meters** – Expenses paid for glucose meters are reimbursable.

**Gloves, latex** – Expenses paid for latex gloves are reimbursable.

**Glucerin shakes** – Service is only covered when prescribed by a health care professional to treat a medical condition.

**Group medical insurance** – See Insurance premiums.

**Guardianship fees** – Fees associated with establishing guardianship for an incapacitated individual are reimbursable.

**Guide dog or other animal** – The cost of a guide dog or other animal used by the visually impaired or hearing impaired is reimbursable. Costs associated with a dog or other animal trained to assist persons with other physical disabilities are also reimbursable, as are amounts paid for the care of these specially-trained animals.

## H

**Hair transplant** – Service is only covered when prescribed by a physician to treat a medical condition.

**Hand sanitizer** – Expenses paid for hand sanitizers are reimbursable.

**Health club dues** – Health club dues, YMCA® dues, or amounts paid for steam baths for general health or to relieve physical or mental discomfort not related to a particular medical condition are not reimbursable.

**Hearing aids** – Medical expenses for a hearing aid, repairs and batteries are reimbursable.

**Heartburn medicines** – Covered to alleviate or treat injuries or sickness, if over the counter only with a prescription.

**Heart defibrillator** – Expenses paid for heart defibrillators are reimbursable.

**Herbs** – The cost of herbs taken for general well-being are not reimbursable. However, the cost of herbs taken to alleviate a specific medical condition are reimbursable. Physician's diagnosis letter is required.

**Holistic treatments** – See Alternative health care professionals.

**Home urine test kit** – Expenses paid for home urine test kits are reimbursable. See Kits.

**Homeopathic treatments** – See Alternative health care professionals.

**Hospital** – Expenses incurred as a hospital in-patient or out-patient for laboratory, surgical and diagnostic services qualify as medical expenses.

**Hot pads, creams and patches** – Expenses paid for hot pads, creams and patches are reimbursable.

**Hot tub** – See Capital expenses.

**Household help** – The cost of household help, even if recommended by a doctor, is prohibited. However, certain expenses paid to an attendant providing nursing-type services are reimbursable. See Nursing services.

**Human guide** – Expenses for a human guide – to take a blind child to school, for example – are reimbursable.

**Hypnobirthing classes** – This is a childbirth method that focuses on preparing parents for gentle birth including techniques of deep relaxation, visualization, and self-hypnosis and is covered.

**Hypnotherapy** – Expenses paid for hypnotherapy are reimbursable when prescribed by a physician as therapy to treat a medical condition. A physician's diagnosis letter is required.

**Immigration immunizations** – Vaccinations required to immigrate are covered.

**Implanon** – Birth control injections are covered.

**Impotence or sexual inadequacy** – Medical expenses related to the treatment of impotence are reimbursable. Physician's diagnosis letter is required.

**Indigestion medicines** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Infant formula** – The cost of infant formula is not covered, even if the mother is not capable of breastfeeding.

**Infertility** – Medical expenses related to the treatment of infertility are reimbursable. Eligible expenses may include egg storage, egg donor costs, infertility monitors, in vitro fertilization and sperm washing. Surrogate costs associated with a qualified dependent of the taxpayer are reimbursable and may include such things as blood compatibility testing and psychological exams. If the surrogate mother is not a qualified dependent of the taxpayer, the costs that the surrogate mother incurs are not reimbursable. Storage costs associated with the freezing of blood cords, embryos, placentas and sperm (sperm banks) are generally reimbursable when a specific medical condition exists. Additionally, these costs are reimbursable only for a limited period until they can be used to treat the existing condition (generally up to one year). Physician's diagnosis letter is required.

**Insect repellent** – The cost of insect repellent is reimbursable.

**Insoles** – Expenses paid for insoles to treat a medical condition are reimbursable. Explanation of necessity required.

**Insulin** – The cost of insulin is reimbursable.

**Insurance premiums** – Premiums for any health plan are not reimbursable under a health care FSA. However, see exceptions for HRA and HSA.

**Interest** – Interest incurred because payment to a health care professional is delinquent is not covered.

**Invisible braces** – Orthodontic braces that are manufactured to be nearly invisible are covered.

## K

**Kits** – Expenses paid for kits such as first aid, home test, snake bite and bee sting are reimbursable.

## L

**Laboratory fees** – Laboratory fees that are part of medical care are reimbursable.

**Lactation consultation/Lactation supplies** – These items are reimbursable.

**Lasik eye surgery** – Radial keratotomy (RK), or other corrective eye surgery such as lasik surgery is a deductible expense under IRC Section 213(d) and is reimbursable.

**Late charges** – Charges incurred because payment to a health care professional is delinquent are not covered.

**Laxatives** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Lead-based paint removal** – The cost of removing lead-based paints from surfaces in a home to prevent a child who has (or has had) lead poisoning from eating the paint are reimbursable. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the scraped area, however, is not reimbursable.

**Learning disability** – Tuition payments to a special school for a child who has severe learning disabilities caused by mental or physical impairments, including nervous system disorders, are reimbursable. A doctor must recommend that the child attend the school. Also, tutoring fees paid on a doctor's recommendation for a child's tutoring by a teacher who is specially trained and qualified to work with children who have severe learning disabilities are reimbursable. See Schools, special.

**Legal fees** – Legal fees paid to authorize treatment for mental illness are reimbursable. However, any part of a legal fee that is a management fee (for example, a guardianship or estate management fee) is not reimbursable.

**Licensing requirements** – Neither the tax code nor IRS regulations require a plan participant to determine whether a health care professional is qualified,

authorized under state law or licensed to practice before using his/her services. Services provided by a range of organizations and individuals may be reimbursable, including care provided by hospitals, medical doctors, dentists, eye doctors, chiropractors, nurses, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, psychoanalysts and others.

**Life insurance premiums** – Life insurance premiums are not reimbursable.

**Lifestyle drugs** – Expenses paid for lifestyle drugs such as those for treating impotence, are reimbursable when accompanied by a physician's diagnosis letter.

**Lip treatments** – (Will require a doctor's prescription for reimbursement); Expenses paid for lip treatments to treat a medical condition such as cold or canker sores are reimbursable.

**Liposuction** – See Cosmetic procedures.

**Lodging and meals** – The cost of lodging and meals at a hospital or similar institution are reimbursable if the employee's main reason for being there is to receive medical care. The cost of lodging not provided in a hospital or similar institution while an employee is away from home is reimbursable if four requirements are met: (1) the lodging is primarily for and essential to medical care; (2) medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital; (3) the lodging is not lavish or extravagant under the circumstances; and (4) there is no significant element of personal pleasure, recreation or vacation in the travel away from home. See Nursing home.

The reimbursable amount cannot exceed \$50 for each night for each person. Lodging is included for a person for whom transportation expenses are a medical expense because that person is traveling with the person receiving the medical care. For example, if a parent is traveling with a sick child, up to \$100 per night is reimbursable as a medical expense for lodging. Meals and lodging away from home for medical treatment that is not received at a medical facility, or for the relief of a specific condition, are not reimbursable even if the trip is made on the advice of a doctor.

**Long-term care insurance premiums** – Long-term care insurance premiums are not reimbursable under a health care FSA. However, see exceptions for HRA and HSA.

## M

**Maintenance costs** – A portion of expenses incurred to maintain equipment used to treat a medical condition are reimbursable. (For example, the cost of electricity to operate an air purifier when suffering from asthma). Explanation of necessity required.

**Marriage counseling** – Expenses for marriage counseling services do not qualify as medical expenses. However, sexual inadequacy or incompatibility treatment is reimbursable if the treatment is provided by a psychiatrist.

**Massage** – Fees paid for massages are not reimbursable unless to treat a physical defect or illness. See Therapy.

**Massage chair** – Expenses paid for a massage chair to treat a medical condition are reimbursable. A physician's diagnosis letter is required.

**Maternity clothes** – Expenses for maternity clothes are not reimbursable.

**Maternity support band** – Expenses paid for a maternity support band are reimbursable.

**Mattresses** – Mattresses and mattress boards for the treatment of arthritis are reimbursable.

**Meals** – See Lodging and meals, or Special foods.

**Medical aids** – Medical aids such as false teeth, hearing aids, orthopedic shoes, crutches and elastic hosiery are reimbursable.

**Medical alert programs** – Expenses incurred to enroll in a medical alert program are reimbursable when accompanied by a physician's diagnosis letter.

**Medical information plan** – Amounts paid to a plan that keeps medical information so that it can be retrieved from a computer data bank for medical care are reimbursable.

**Medical services** – Only legal medical services are reimbursable. Amounts paid for illegal operations or treatments, regardless of whether they are rendered by licensed or unlicensed practitioners, are not reimbursable.

**Medicare Part A** – The premium paid for Medicare Part A is not reimbursable under a health care FSA. However, see exceptions for HRA and HSA.

**Medicare Part B** – Premiums paid for Medicare Part B are not reimbursable under a health care FSA. However, see exceptions for HRA and HSA.

**Medicated soaps, powders and shampoos** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications. Expenses paid for over-the-counter items that are medicated to treat a medical condition are reimbursable.

**Medicines, prescribed** – Amounts paid for prescribed medicines and drugs are reimbursable. A prescribed drug is one which requires a prescription by a doctor for its use by an individual. The cost of insulin is also reimbursable. The cost of a prescribed drug brought in (or ordered and shipped) from another country cannot be reimbursed. The importation of prescribed drugs by individuals is illegal under federal law (even if allowed by state law). However, you can be reimbursed for the cost

of a prescribed drug that you purchased and consumed in another country if the drug is legal in both the other country and the United States. See Over-the-counter medicines and drugs.

**Mentally disabled, special home for** – The cost of keeping a mentally disabled 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 is reimbursable.

**Mileage, health care professional fees** – Mileage charges from a health care professional related to providing care and patient observation for treatment plan development are covered.

**Mobile body scan** – These are considered preventive, and diagnostic services and are covered.

**Motion sickness** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

## N

**Nasal** – Sprays, strips and inhalers

**Nasal wash** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications. Nasal wash systems (i.e., Neti Pots) are used for the relief of sinusitis, nasal congestion, rhinitis and allergies and are covered.

**Naturopathic treatments** – See Alternative health care professionals.

**Nausea relief** – Expenses paid for nausea relief devices such as nausea bands are reimbursable. Over-the-counter nausea relief medications, see Over-the-counter medications.

**Nightguard** – Also referred to as occlusal guard. This is a dental appliance often used to treat TMJ or the clenching or grinding of teeth and is covered.

**Nursing home** – The cost of medical care in a nursing home or home for the aged for an employee, or for an employee's spouse or dependent, is reimbursable. This includes the cost of meals and lodging in the home if the main reason for being there is to get medical care.

**Nursing services** – Wages and other amounts paid for nursing services are reimbursable. Services need not be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes services connected with caring for the patient's condition, such as giving medication or changing dressings, as well as bathing and grooming the patient.

Only the amount spent for nursing services is reimbursable. If the attendant also provides personal and household services, these amounts must be divided between the time spent performing household and personal services and the time spent on nursing services.

**Meals** – Amounts paid for an attendant's meals are also reimbursable. This cost may be calculated by dividing a household's total food expenses by the number of household members to find the cost of the attendant's food, then apportioning that cost in the same manner used for apportioning an attendant's wages between nursing services and all other services. (See above)

**Upkeep** – Additional amounts paid for household upkeep because of an attendant are also reimbursable. This includes extra rent or utilities paid because of having to move to a larger apartment to provide space for an attendant.

**Infant care** – Nursing or baby sitting services for a normal, healthy infant are not reimbursable.

Social Security, unemployment (FUTA) and Medicare taxes paid for a nurse, attendant or other person who provides medical care are reimbursable.



**Optometrist** – See Vision care.

**Oral syringe** – Expenses paid for an oral syringe used to dispense medication are reimbursable.

**Organ donor** – See Transplants.

**Orthodontia** – Services are reimbursable. This type of service does not fit the normal 'fee for service' arrangements seen with other care, and reimbursement can be made once charges have been billed. This can be a one-time fee less any amount paid, or to be paid by your insurance plan, or as you are billed each month.

**Orthodontia wax** – Expenses paid for orthodontia wax are reimbursable.

**Orthopedic shoes** – See Medical aids.

**OSHA compliance fees** – Fees charged by a health care professional to meet OSHA compliance requirements are covered.

**Over-the-counter medications** – (Starting 1/1/2011, most will require a doctor's prescription for reimbursement) Expenses are generally reimbursable unless used for general well-being or for purely cosmetic purposes.

Starting January 1, 2011, eligible expenses that will require a doctor's prescription for reimbursement may include, but are not limited to acetaminophen, acne products, allergy products, antacid remedies, antibiotic creams/ointments, anti-fungal foot sprays/creams, aspirin, baby care products, cold remedies (including shower vapor tabs), cough syrups and drops, medicated eye and ear drops, ibuprofen, laxatives, migraine remedies, motion sickness, nasal sprays, pain relievers, sleep aids, teething gels and topical creams for itching, stinging, burning, pain relief, sore healing or insect bites. See Kits and Vapor units and refills.

Items that will continue to be eligible without a doctor's prescription after January 1, 2011 include, but are not limited to band aids, bandages and wraps, braces and supports, catheters, contact lens solutions and supplies, contraceptives and family planning items, denture adhesives, insulin and diabetic supplies, diagnostic tests and monitors, and first aid supplies, peroxide and rubbing alcohol.

**Over-the-counter supplies** – Expenses paid for bandages, ACE® wraps, hot pads, Q-tips®, cotton balls, first aid kits, gauze bandages, home test kits (e.g., diabetic, pregnancy), and snake bite and bee sting kits are reimbursable. See Kits.

**Ovulation predictor test** – Test kits to assist in identification of ovulation are covered.

**Oxygen** – Amounts paid for oxygen or oxygen equipment to relieve breathing problems caused by a medical condition are reimbursable.



**Pain relief** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Parental assistance** – Expenses incurred with an agency to assist parents with newborn care (which may include nurturing) are not covered unless prescribed by a physician for a medical condition.

**Parking** – See Transportation.

**Pastoral counseling** – Service is only covered when recommended by a health care professional to treat a medical condition (such as depression).

**Personal trainer** – Service is only covered when recommended by a health care professional to treat a medical condition.

**Personal use items** – Items that are ordinarily used for personal, living, and family purposes are not reimbursable unless they are used primarily to prevent or alleviate a physical or mental defect or illness. For example, the cost of a wig purchased at the advice of a physician for the mental health of a patient who has lost all of his or her hair from disease is reimbursable.

If an item purchased in a special form primarily to alleviate a physical defect is one that in normal form is ordinarily used for personal, living and family purposes, the cost of the special form in excess of the cost of the normal form is reimbursable.

See Braille books and magazines.

**Phone equipment** – See Telephone.

**Physical exams** – Physical exams are generally reimbursable, except for employment-related physicals. See Employment related expenses.

**Pill crusher** – Devices to crush medications are covered.



**Pill cutter** – Pill cutters are reimbursable.

**Pillows for treatment of fevers** – Expenses paid for the purchase of pillows manufactured specifically to treat fevers are reimbursable.

**Plane tickets** – Expenses paid for the purchase of a plane ticket for a related hospitalization are reimbursable. See Transportation.

**Postage** – Postage stamps and fees are not covered unless the postage is used to submit a claim for reimbursement.

**Potty pager** – Expenses paid for the purchase of a potty pager are reimbursable.

**Pre-adoption counseling** – This counseling is covered as are all services related to adoption. See Adoption.

**Preexisting conditions** – Medical expenses not covered because of the plan's preexisting condition limitation are reimbursable.

**Premiums** – Premiums, of any kind, that you pay for yourself or your eligible dependents are not reimbursable under a health care FSA. However, see exceptions for HRA and HSA.

**Prenatal vitamins** – (Starting 1/1/2011, will require a doctor's prescription for reimbursement) The cost of prenatal vitamins is reimbursable with a doctor's prescription.

**Prescription drugs** – See Medicines.

**Private hospital room** – The extra cost of a private hospital room is reimbursable.

**Propecia®** – Reimbursable when prescribed by a physician for a specific medical condition, but not for cosmetic purposes (that is, to stimulate hair growth). A physician's diagnosis letter is required.

**Prosthesis** – See Artificial limb.

**Psychiatric care** – Expenses for psychiatric care are reimbursable. These expenses include the cost of supporting a mentally ill dependent at a specially-equipped medical center where the dependent receives medical care. See Psychoanalysis and Transportation.

**Psychoanalysis** – Expenses for psychoanalysis are reimbursable.

**Psychologist** – Expenses for psychological care are reimbursable.

## R

**Radial keratotomy** – Radial keratotomy (RK), or other corrective eye surgery such as lasik surgery, is a deductible expense under IRC Section 213(d) and is reimbursable.

**Radon remediation** – Expenses incurred to remove radon from the residence are reimbursable.

**Reasonable and customary charges, amounts in excess of** – Medical expenses in excess of the plan's reasonable and customary charges are reimbursable.

**Rebundled charges** – Charges for services that are rebundled by the medical insurance plan for which the health care professional does not participate are reimbursable.

**Remineralization products** – These products add back the minerals that acid has chewed away and are considered part of normal hygiene. Service is only covered when recommended by a health care professional to treat a medical condition.

**Resort** – See Spa or resort.

**Respiratory treatments** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Retin-A** – Expenses are reimbursable when prescribed by a physician for treatment of acne, but not aging. A physician's diagnosis letter is required.

**Rogaine®** – Reimbursable when prescribed by a physician for a specific medical condition, but not for cosmetic purposes (that is, to stimulate hair growth). A physician's diagnosis letter is required.

## S

**Saddle soap** – Saddle soap is only covered when recommended by a health care professional to treat a medical condition.

**Sales tax** – Sales tax charges incurred when paying for an eligible expense are reimbursable.

**Savings club** – Dues to join a club that offers discounts on health items is not covered (e.g., a pharmacy savings club).

**Scar treatments** – Expenses incurred for the treatment of scars are reimbursable.

**Schools, special** – Expenses paid to a special school for a mentally impaired or physically disabled person are reimbursable if the main reason for using the school is its resources for treating the disability. This includes the cost of a school that:

- › teaches Braille to a visually impaired child;
- › teaches lip-reading to a hearing-impaired child; or
- › provides remedial language training to correct a condition caused by a birth defect.

The cost of meals, lodging and ordinary education supplied by a special school is reimbursable only if the main reason for using the school is its resources for treating the mental or physical disability. The cost of sending a non-disabled "problem child" to a special school for benefits the child may get from the course of study and disciplinary methods is not reimbursable.

**Scientology "audits"** – Amounts paid to the Church of Scientology for "audits" do not qualify as expenses for medical care.

**Service animals** – Covered if animal is primarily for medical care to alleviate a mental defect or illness and would not have been paid but for that defect or illness; also expenses incurred to maintain the animal's health and vitality so it may perform its duties.

**Sexual counseling** – Expenses for counseling regarding sexual inadequacy or incompatibility are reimbursable if the counseling is provided to a husband and/or wife by a psychiatrist.

**Shampoo, medicated** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications. Expenses paid for the purchase of medicated shampoos used to treat a scalp condition are reimbursable.

**Shipping charges** – Shipping charges incurred when paying for an eligible expense are reimbursable.

**Shower chair** – Expenses incurred for the purchase of a shower chair are reimbursable when accompanied by a physician's diagnosis letter.

**Sleep aids and sedatives** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Smoking cessation drugs** – The cost of drugs to stop smoking for the improvement of general health are reimbursable. This includes nicotine patches and gum.

**Smoking program** – The cost of a program to stop smoking for the improvement of general health is reimbursable.

**Spa or resort** – Although a visit to a spa or resort may be prescribed by a physician for medical treatment, only the costs of the medical services provided are reimbursable, not the cost of transportation. See Transportation and Trips.

**Special foods** – The costs of special foods and/or beverages – even if prescribed – that substitute for other foods or beverages which a person would normally consume and which satisfy nutritional requirements (such as the consumption of bananas for potassium), are not deductible. However, prescribed special foods or beverages are reimbursable if they are consumed primarily to alleviate or treat an illness or disease, and not for nutritional purposes. Special foods and beverages are reimbursable only to the extent that their cost is greater than the cost of the commonly available version of the same product. Claim submission should include the normal cost of the item.

**Sperm storage** – Expenses incurred for sperm storage are reimbursable.

**Sports gear, protective** – Special equipment purchased and used during sports activities to protect from injury is covered. For example, Heart-guard shirts or mouth guards.

**Sports mouth guard** – Expenses incurred for the purchase of a sports mouth guard are reimbursable.

**Sports orthotics** – Expenses paid for sports orthotics are reimbursable when submitted with a physician's diagnosis letter.

**Sterilization** – The cost of a legal sterilization (a legally performed operation to make a person unable to have children) is reimbursable.

**Stethoscope** – Expenses incurred for the purchase of a stethoscope are reimbursable.

**Stomach remedies** – (Will require a doctor's prescription for reimbursement); see Over-the-counter medications.

**Substance abuse** – See Alcoholism and drug abuse.

**Sunburn creams and ointments** – (Will require a doctor's prescription for reimbursement). Expenses incurred for the purchase of sunburn creams and ointments are reimbursable.

**Sunscreen with SPF 30+** – Expenses incurred for the purchase of sunscreen are reimbursable.

**Supplements** – The cost of supplements taken for general well-being are not reimbursable. However, the cost of supplements taken to alleviate a specific medical condition is reimbursable. Physician's diagnosis letter required.

**Swimming lessons** – See Dancing lessons, swimming lessons, etc.

## T

**Taxes, state care or sick tax** – Tax amounts passed on to the individual are reimbursable.

**Telephone** – The costs of purchasing and repairing special telephone equipment that lets a hearing-impaired person communicate over a regular telephone are reimbursable.

**Television** – The cost of equipment that displays the audio part of TV programs as subtitles for the hearing-impaired is reimbursable. This may include an adapter that attaches to a regular TV or the cost of a specially-equipped TV in excess of the cost of the same model regular TV set.

**Therapy** – Amounts paid for therapy received as medical treatment are reimbursable. Payments made to an individual for special exercises or music therapy administered to a mentally disabled child are also reimbursable. These so-called "patterning" exercises

consist mainly of coordinated physical manipulation of the child's arms and legs to imitate crawling and other normal movements. See Fitness programs or Massage.

**Thermometer** – Expenses for the purchase of a thermometer or thermometer covers are reimbursable.

**Toilet seat covers** – Expenses incurred for the purchase of toilet seat covers are reimbursable.

**Transplants** – Payments for surgical, hospital, laboratory and transportation expenses for a prospective or actual donor of a kidney or other organ are reimbursable

**Transportation** – Amounts paid for transportation primarily for, and essential to, medical care are reimbursable.

**Reimbursable transportation expenses include:**

- › Bus, taxi, train or plane fare, or ambulance service;
- › Actual car expenses, such as gas and oil (but not expenses for general repair, maintenance, depreciation and insurance);
- › Mileage charges from a health care professional related to rendering care and patient observation for treatment plan development;
- › Parking fees and tolls;
- › Transportation expenses of a parent who must accompany a covered individual 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;
- › Transportation expenses for regular visits to see a mentally ill dependent if these visits are recommended as a part of treatment.
- › Instead of actual expenses, it is acceptable to use a flat rate per mile for each mile a car is used for medical purposes. The IRS updates this amount annually, refer to IRS publications for the current reimbursable rate. The cost of tolls and parking may be added to this amount.

**Reimbursable transportation expenses do not include:**

- › Transportation expenses to and from work, even if a medical condition requires an unusual means of transportation; or
- › Transportation expenses incurred if, for non-medical reasons, an employee chooses to travel to another location (or to a resort or spa) for an operation or other medical care prescribed by a doctor.

**Trips** – Amounts paid for transportation to another location, if the trip is primarily for and essential to receiving medical services, are reimbursable. See Lodging and meals.

A trip or vacation taken for a change in environment, improvement of morale or general improvement of health, is not reimbursable, even if it is taken at the advice of a doctor. See Spa or resort.

**Tubal ligation** – Expenses incurred for a tubal ligation are reimbursable.

**Tuition** – Charges for medical care included in the tuition of a college or private school are reimbursable if the charges are separately stated in the tuition bill. See Learning disability and Schools, special.

**Tutor's fees** – See Learning disability.

## U

**Ultrasound – 4D/Elective** - Ultrasounds that are solely for the purpose of identifying the sex of the fetus are not covered.

## V

**Vacation** – See Trips.

**Vaccines** – Expenses for vaccines are reimbursable.

**Vapor units and refills** – Expenses paid for the purchase of vapor units such as plug-in units or their refill cartridges are reimbursable.

**Vasectomy** – Medical expenses related to a vasectomy or vasectomy reversal are reimbursable.

**Vent cleaning** – Expenses paid for the cleaning of your home's vent system are reimbursable. Explanation of necessity is required.

**Vision care** – Optometric services and medical expenses for eyeglasses and contact lenses needed for medical reasons are reimbursable. Eye exams and expenses for contact lens solutions are also reimbursable. However, premiums for contact lens replacement insurance are not reimbursable. See Radial keratotomy and Lasik eye surgery.

**Other vision services that are covered are:**

- › Contact lens cases;
- › Corrective swim goggles;
- › Eye charts;
- › Eyeglass cases;
- › Eyeglass cleaning supplies such as cleaning cloths;
- › Reading glasses;
- › Eyeglass repair or repair kits;
- › Safety glasses when the lens corrects visual acuity;
- › Sunglasses or sunglass clips when the lens corrects visual acuity; and
- › Vision shaping.

**Vitamins** – Daily multivitamins taken for general well-being are not reimbursable. Vitamins taken as treatment for a specific medical condition diagnosed by a physician are reimbursable when accompanied by a physician's diagnosis letter and a prescription. See Prenatal vitamins. Breast Pump, Shields, Gel Pads. These items are reimbursable.

## W

**Wage continuation policies** – Premiums paid under wage continuation policies are not reimbursable.

**Walker and accessories** – Expenses paid for a walker to aid mobility and their accessories such as baskets for carrying items are reimbursable.

**Weight loss aids** – Expenses paid for aids to weight loss are reimbursable when the weight loss program is to treat a medical illness. Aids include pedometers, mixers, scales, action planners, recipe books and audio tapes. Physician's diagnosis letter is required.

**Weight loss machines** – See Exercise equipment.

**Weight loss programs, treatments and prescriptions** – The cost of weight loss programs, treatments and prescriptions for general health are not reimbursable even if a doctor prescribes them. However, if the program, treatment or prescription is prescribed by a physician to treat a medical illness (e.g., heart disease), the expense should be reimbursable. Physician's diagnosis letter is required.

**Well baby care** – See Nursing services.

**Wheelchair** – Amounts paid for an autoette or a wheelchair used mainly for the relief of sickness or disability, and not just to provide transportation to and from work, are reimbursable. The cost of operating and maintaining the autoette or wheelchair is also reimbursable.

**Wheelchair accessories** – Expenses paid for accommodation accessories such as wheelchair backpacks are reimbursable.

**Wigs** – See Personal use items.

## X

**X-ray fees** – Amounts paid for X-rays taken for medical reasons are reimbursable.

## Y

**Yoga class** – Expenses paid for yoga class are reimbursable when the activity is to treat a medical condition. Physician's diagnosis letter is required.

### Ineligible Receipts

The following are not acceptable receipts:

- › Bankcard statements.
- › Charges submitted that are illegible.
- › Estimates of expenses. (A statement is required showing date of service and type of medical expense.)

### Health Reimbursement Account (HRA) Exceptions:

- › Long-term Care insurance premiums;
- › Health Care, Dental Care, and Vision Care premiums that have not been purchased with pretax dollars;
- › COBRA premiums; and
- › Medicare Part A or B, Medicare HMO, and employer-sponsored retiree health insurance premiums.

### Health Savings Account (HSA) Exceptions:

- › Long-term Care insurance premiums;
- › Premiums for a health plan during a period in which an individual is receiving unemployment compensation;
- › COBRA premiums; and
- › Medicare Part A or B, Medicare HMO, and employer-sponsored retiree health insurance premiums (other than Medicare Supplement and Medigap policies) for individuals who have reached Medicare eligibility.