

# Health Care Reimbursement Account

## Most Questioned Expenses

IRS regulations periodically change, affecting the eligibility of certain expenses in Flexible Spending Account Plans. The following will assist you in making your elections for the plan year based on the most current rulings regarding some of the **most questioned expenses**. As a third party administrator, MidAmerica reimburses eligible medical expenses consistent with IRS Code Section 213(d). **Please be aware, however, that IRS Publication 502 is primarily for taxpayer's use in determining what medical expenses are deductible when claiming medical expenses as a deduction from their income**

**taxes. Publication 502 should only be used as a guide for determining eligible expenses under the Health Care Reimbursement Account, as there are several exceptions, but most notably:** 1) Insurance premiums are not reimbursable under a HCRA; 2) Certain OTC drugs are reimbursable under the HCRA (if allowed by your plan), but may not be deducted from taxes; and 3) The tax credit as outlined in IRS Publication 502 allows the tax credit in the year the expense is paid; **the reimbursement under a HCRA is based only upon when the expense was incurred; i.e., date of service, not the date paid.**

Canceled Appointments	Fees for missed appointments are <b>not eligible</b> .
Cosmetic Treatments	Only qualify if they are medically necessary. Electrolysis is <b>not</b> an eligible expense. Cosmetic surgery simply to enhance bodily features is <b>not eligible</b> . Cosmetic surgery which is necessary due to an accident, disease, illness or congenital abnormality <b>is eligible</b> .
Custom Fitovers (Clip-Ons)	Are <b>not eligible</b> as they do not correct vision.
Counseling	Family counseling is only eligible for the family member who is the patient with a specific medical condition. Marriage counseling is <b>not eligible</b> .
Dentistry	Monthly orthodontic expenses are eligible, but only for those months within the Plan Year. Only expenses for orthodontic services incurred in the Plan Year are eligible; the months before or after the Plan Year are not eligible. Reimbursement is available by providing a treatment plan. <b>Teeth Bleaching/Whitening is not eligible</b> .
Diabetic Supplies	Insulin, syringes, test tapes, and needle boxes are eligible.
Dietary Needs/Special Foods	Special foods are eligible if prescribed to treat a specific illness to the extent the cost exceeds cost of commonly available versions of the same product. Special foods to promote general health are <b>not eligible</b> .
Discount Fees/Write Offs	Are <b>not eligible</b> .
Drugs	Over-the-counter drugs such as aspirin, antacids, allergy medicines, pain relievers or cold medicines <b>are eligible, if allowed by your plan</b> . Dietary supplements without a medical condition <b>are not eligible</b> . Non-prescription drugs for general well being like vitamins, herbal supplements or cosmetic purchases <b>are not eligible</b> . <b>Date ordered is the date of service</b> . Drugs that are legal at state or local level, but illegal at federal level are not medical expenses and <b>are not eligible</b> .

Health Club Membership Dues and Fees	If incurred primarily for medical care, are <b>eligible</b> , if prescribed by a physician.
Insurance Estimates	Services must be incurred before reimbursement through the spending account. Pre-certification and insurance estimates <b>are not eligible</b> for reimbursement under the HCRA.
Insurance Premiums	Your portion of a company sponsored and/or individual insurance premium is <b>not eligible</b> for reimbursement under a health care spending account. Your portion of premiums for employer sponsored insurance is pre-taxed through the Premium Expense Account, not the HCRA. Student health fees are similar to insurance premiums and are <b>not eligible</b> for reimbursement under the HCRA.
Interest Charges	Are <b>not eligible</b> .
Lamaze Classes	Only expenses for instruction related to the birth are eligible. Child rearing instruction is <b>not eligible</b> . The fee will have to be apportioned to exclude instruction in topics such as newborn care. Also, amounts for the coach or significant other are <b>not eligible</b> .
Maternity Fees – Prepaid	In line with insurance companies, the date of child's birth is considered date of service.
Massage Therapy	Is eligible with a doctor's statement of medical necessity. It is <b>not eligible</b> if therapy is solely for the purpose of tension/stress.
Mileage	Mileage is eligible for the miles driven to and from the doctor's office. The amount that can be reimbursed is fourteen (14) cents per mile.
Rogaine	Is <b>not eligible</b> , unless accompanied by a letter of medical necessity.
Vision	Contact lens solution and sales tax are eligible expenses. Contact lens insurance is <b>not eligible</b> . The date the glasses or contacts are ordered, <b>not picked up</b> , is considered the date of service. Radial Keratotomy, LASIK and other laser eye surgeries are eligible. Vision Discount Program Fees are <b>not eligible</b> .
Vitamins	Dietary supplements (for example, vitamins) to maintain general health are <b>not eligible</b> . Dietary supplements or herbal medicines to treat a specific medical condition <b>are eligible with a doctor's letter stating medical necessity</b> .
Weight Loss	<b>Physician prescribed</b> weight loss programs necessary to treat <b>physician diagnosed</b> obesity is an eligible expense. Weight loss programs attended to improve general health or appearance are <b>not eligible</b> . Special diet food that is a substitute for the food normally consumed is <b>not eligible</b> . If the same results can be obtained from a program that costs less, such as walking, the IRS may look to the reasonable cost of the prescribed exercise program.