

# Health Care FSA

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- Whose expenses are eligible
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- How to receive reimbursement

## What is a Health Care FSA?

A Health Care FSA is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on the next page.

## Whose expenses are eligible?

Your Health Care FSA may be used to reimburse eligible expenses incurred by:

- yourself
- your spouse
- your qualifying child or
- your qualifying relative.

An individual is a **qualifying child** if they are not someone else's qualifying child and:

- are a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- have a specified family-type relationship to you
- live in your household for more than half of the taxable year
- are 18 years old or younger (25 years, if a full-time student) at the end of the taxable year and
- have not provided more than one-half of their own support during the taxable year.

An individual is a **qualifying relative** if they are a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- have a specified family-type relationship to you, are not someone else's qualifying child and receive more than one-half of their support from you during the taxable year or
- if no specified family-type relationship to you exists, are a member of and live in your household (without violating local law) for the entire taxable year and receive more than one-half of their support from you during the taxable year.

**Note:** There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a Health Care FSA.

## Can travel expenses for medical care be reimbursed?

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your Health Care FSA. With proper substantiation, eligible expenses can include:

- actual round-trip mileage
- parking fees
- tolls and
- transportation to another city.

**Minimum Annual Deposit: \$300**  
**Maximum Annual Deposit: \$3,500**



**Visit [www.myFBMC.com](http://www.myFBMC.com) for a list of frequently asked questions (FAQs). You must keep your documentation for a minimum of one year and submit it to FBMC upon request.**

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## Is orthodontic treatment reimbursable?

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your Health Care FSA if the proper documentation is provided:

- a written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service was incurred, the name of the eligible individual receiving the service, the cost for the service and
- a copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time).

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call FBMC Customer Care at 1-800-342-8017.

## When are my funds available?

Once you sign up for a Health Care FSA and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

## Should I claim my expenses on IRS Form 1040?

With a Health Care FSA, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax-free, regardless of the amount. By enrolling in a Health Care FSA, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on their percentage of your adjusted gross income. You should consult a tax professional to determine the avenue that is right for you.

## Are some expenses ineligible?

Expenses not eligible for reimbursement through your Health Care FSA include:

- insurance premiums
- vision warranties and service contracts and
- cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.



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## Are prescriptions eligible for reimbursement?

Yes, most filled prescriptions are eligible for Health Care FSA reimbursement, as long as you properly substantiate the expense. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement. The IRS requires the complete name of all medicines and drugs be obtained and documented on pharmacy invoices (including prescription number, date(s) of service and total dollar amount). This information must be included when submitting your request to FBMC for reimbursement.

## Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your Health Care FSA. Save valuable tax dollars on certain categories of OTC items, medicines and drugs, such as: allergy treatments, antacids, cold remedies, first-aid supplies and pain relievers. For a more comprehensive list of eligible OTC items, please visit [www.myFBMC.com](http://www.myFBMC.com).

You may be reimbursed for OTCs through your Health Care FSA if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s)
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- the reimbursement request is for an expense allowed by your employer's Health Care FSA plan and IRS regulations and
- you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

**Note:** OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at [www.myFBMC.com](http://www.myFBMC.com). As soon as an OTC item, medicine or drug becomes eligible under any of the categories below, it will be reimbursable retroactive to the start of the current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual Health Care FSA election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

## Partial List of Medically Necessary Eligible Expenses\*

Acupuncture  
Ambulance service  
Birth control pills and devices  
Chiropractic care  
Contact lenses (corrective)  
Dental fees  
Diagnostic tests/health screening  
Doctor fees  
Drug addiction/alcoholism treatment  
Drugs  
Experimental medical treatment  
Eyeglasses  
Guide dogs  
Hearing aids and exams  
In vitro fertilization  
Injections and vaccinations  
Nursing services  
Optometrist fees  
Orthodontic treatment  
Over-the-Counter items  
Prescription drugs to alleviate nicotine withdrawal symptoms  
Smoking cessation programs/treatments  
Surgery  
Transportation for medical care  
Weight-loss programs/meetings  
Wheelchairs  
X-rays

**Note:** Budget conservatively. No reimbursement or refund of Health Care FSA funds is available for services that do not occur within your plan year and grace period.

\* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

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## When do I request reimbursement?

You may use your Health Care FSA to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

## How do I request reimbursement?

Requesting reimbursement from your Health Care FSA is easy. Simply mail or fax a correctly completed FBMC Claim Form along with the following:

- an invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided or
- an Explanation of Benefits (EOB)\* from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost and
- a written statement from your health care provider indicating the service was medically necessary if those services could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

Please note that canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for Health Care FSA reimbursement.

**Mail to:** Contract Administrator  
Fringe Benefits Management Company  
P.O. Box 1800  
Tallahassee, FL 32302-1800

**Fax TOLL-FREE to:** 1-866-440-7145

\* EOBs are not required if your coverage is through a HMO.



### *Did you read about...*

- Who is eligible to participate?
- Eligible medical expenses?
- How to request reimbursement?

# FSA Worksheets

To figure out how much to deposit in your FSA, refer to the following worksheets. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual FSA descriptions in this Reference Guide for limits.)

**Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.**

## HEALTH CARE FSA WORKSHEET

Estimate your eligible, uninsured out-of-pocket health care expenses for the plan year.

### UNINSURED MEDICAL EXPENSES

Health insurance deductibles \$ \_\_\_\_\_

Co-insurance or co-payments \$ \_\_\_\_\_

Vision care \$ \_\_\_\_\_

Dental care \$ \_\_\_\_\_

Prescription drugs \$ \_\_\_\_\_

Travel costs for medical care \$ \_\_\_\_\_

Other eligible expenses (including OTCs) \$ \_\_\_\_\_

**TOTAL (amount cannot exceed \$3,500)** \$ \_\_\_\_\_

**DIVIDE** by the number of scheduled deductions remaining in the plan year after your benefits effective date.\* \$ \_\_\_\_\_

**This is your pay period contribution.** \$ \_\_\_\_\_

\* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year after your benefits effective date.

## DEPENDENT CARE FSA WORKSHEET

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

### CHILD CARE EXPENSES

Daycare services \$ \_\_\_\_\_

In-home care/au pair services \$ \_\_\_\_\_

Nursery and preschool \$ \_\_\_\_\_

After school care \$ \_\_\_\_\_

Summer day camps \$ \_\_\_\_\_

### ELDER CARE SERVICES

Daycare center \$ \_\_\_\_\_

In-home care \$ \_\_\_\_\_

**TOTAL** Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year. \$ \_\_\_\_\_

**DIVIDE** by the number of scheduled deductions remaining in the plan year after your benefit effective date.\* \$ \_\_\_\_\_

**This is your pay period contribution.** \$ \_\_\_\_\_

\* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year after your benefits effective date.

**At your request, your FSA reimbursement checks may be deposited into your checking or savings account by enrolling in Direct Deposit.**