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## SPENDING ACCOUNT ELIGIBLE EXPENSE GUIDE

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This guide provides a detailed listing of healthcare and dependent care expenses generally allowed by the Internal Revenue Service (IRS) for reimbursement under certain spending account plans. **Please note that this list is not exhaustive and is subject to change at any time.**

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### HOW TO USE THIS GUIDE

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This guide is divided into the sections noted below, each representing a unique type of spending account:

- [Section 1: Healthcare Flexible Spending Accounts](#)
- [Section 2: Dependent Care Flexible Spending Accounts](#)
- [Section 3: Health Reimbursement Arrangement](#)
- [Section 4: Health Savings Accounts](#)
- [Section 5: Limited Flexible Spending Accounts and Limited Health Reimbursement Arrangements](#)
- [Section 6: Commuter Spending Accounts](#)

Click on any of the above links to take you directly to the referenced section. Each segment contains detailed information regarding what expenses are typically eligible under each plan.

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### DISCLAIMER

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The information in this guide is not a guarantee of payment and should not be considered legal advice or a legal opinion. ADP strongly recommends that employers and their participants consult with their own legal counsel and tax advisors for advice or opinions on which they may rely. This guide is reflective of ADP's understanding of the requirements for eligible expenses and has not been reviewed or approved by the IRS.

**Always check your employer's summary plan description (SPD) or plan document for specifics regarding eligible expenses under your spending account plan(s), as any variance from this list should be noted.**

Your employer's plan document has final authority regarding all aspects of plan design, including what constitutes a reimbursable expense. If any conflict arises between this guide and your employer's Summary Plan Description (SPD) or plan document, the terms of your employer's documents will apply.

If you have consulted your employer's plan documentation and still have questions regarding eligible expenses after reading this guide, please call the customer service number provided to you by your employer to speak to a customer service representative.



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## SECTION 1: HEALTHCARE FLEXIBLE SPENDING ACCOUNTS (FSA)

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The IRS allows a Healthcare FSA to reimburse eligible [§213\(d\)](#) medical expenses including certain over-the-counter (OTC) items of an employee, the employee's spouse, and the employee's dependent children. In general, reimbursable expenses are those that result from the diagnosis, care, mitigation, treatment, or prevention of disease or illness affecting any part or function of the body. Expenses recommended for the bettering of an individual's general health or well-being (e.g., vitamins or fitness club memberships) are generally not eligible for reimbursement.

**As of January 1, 2011, to be considered eligible for reimbursement, all medicines and drugs (other than insulin) must be supported by a prescription, even if the medicine or drug is also available over the counter. OTC medicines and drugs are not eligible without a filled prescription receipt.**

**Effective January 1, 2013, healthcare FSA employee contributions are limited to \$2,500 per year. This change was part of the Patient Protection and Affordable Care Act (PPACA). If both spouses can participate in an FSA, whether at the same or different employers, each can fund his/her health FSA up to the \$2,500 limit. If your employer contributes funds to your FSA, those funds do not count toward the \$2,500 limit. If your employer contributes funds to your FSA and you are allowed to receive the contribution of cash, then the employer contribution amount does count toward the \$2,500 limit.**

Only you, your spouse, children, or other person who is a qualified dependent as defined by the IRS is able to incur an eligible expense. **Your employer's plan may differ from this guide. For specific information relating to your plan, check your employer's plan documents.**

### ELIGIBLE HEALTHCARE EXPENSES

To be considered for reimbursement, all eligible expenses must be incurred during your company's plan year, while you are participating in your company's plan and prior to your termination in the plan. Generally, a medical expense is incurred on the date you, your spouse, or your dependent receive medical care or treatment, not the date on which you pay for the care or treatment.

#### Who is a Qualified Dependent?

The Internal Revenue Code defines a "dependent" as a qualifying child or relative who must reside with you for more than half the year and must not provide over half of his/her own support; this includes full-time students ages 19 through 24; or a child over the age of 19 who is permanently disabled. A "qualifying relative" is an eligible individual such as a parent, sibling, or in-law, if (1) you provide more than half of the individual's support and (2) the individual is not a qualifying child of you or any other taxpayer.

Based on recent changes made by the healthcare reform legislation, tax-free reimbursement of medical expenses may be permitted, based on your employer's plan, for adult children up to age 26. Any questions regarding the status of an individual as either a qualifying child, qualifying relative, or an adult child must be discussed with a qualified tax advisor in conjunction with the provisions of your employer's plan.



## HEALTHCARE EXPENSE LISTING

The expense chart is divided into four columns, outlined below:

- **Healthcare Expense Type:**
  - This column defines the specific expense that is eligible, potentially eligible, or ineligible. Expense categories are displayed alphabetically.
- **Eligible for Reimbursement:**
  - This column states if the expense is generally reimbursable from the spending account.
  - An expense marked as "Potentially Eligible" may be considered for reimbursement based on the supporting documentation provided. The item may require a prescription or Doctor's Statement form to be reviewed for eligibility under your plan. These items also require a statement from the participant certifying that the expense would not have been incurred "but for" the recommendation of the healthcare provider to treat or alleviate the diagnosed medical condition.

**Note:** For many expense types, there are certain exceptions or requirements. It is important that you read the special exceptions or requirements related to the expense (see below).

- **Prescription Required:**
  - Under the Patient Protection and Affordable Care Act (PPACA), all over OTC medications and drugs (except insulin) require a prescription. A "prescription" is defined as a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state. This column provides guidance on whether the expense requires a prescription to be eligible for reimbursement. Supporting documentation required to substantiate a prescription includes a customer receipt issued by a pharmacy which identifies the name of the purchaser (or the name of the person for whom the prescription applies), the date and amount of the purchase, and the Rx number. See [Appendix A](#) for additional information on OTC expenses.
- **Doctor's Statement Required:**
  - This column indicates which expenses will require a Doctor's Statement indicating the specific medical disorder, the specific treatment needed, and how the treatment will alleviate the medical condition. The participant must also certify that the expense would not have been purchased "but for" the recommendation of the healthcare provider. Please see [Appendix B](#) for a sample Doctor's Statement which will need to be submitted along with your claim form to be considered for reimbursement.
  - The Doctor's Statement recommending a medical expense must indicate the length of time the item will be needed. If the statement indicates the patient will need the recommended treatment for a six-month period, then that statement may be used to support that treatment for the full six months. At the end of that six-month period an updated statement will be required.
  - The maximum timeframe that a Doctor's Statement can support is one year. If a patient has a lifetime condition and the doctor is recommending a specific medical expense be incurred to treat this condition, an updated Doctor's Statement will be required to be submitted each year on the anniversary of the original statement. As an example, if the original Doctor's Statement recommends an expense be purchased beginning August 1, 2011, an updated statement will need to be submitted the next year that shows a new effective date of August 1, 2012.

### Special Exceptions or Requirements:

- All healthcare FSA claims require a written statement from the participant stating that the expense has not been reimbursed and that the participant will not seek additional reimbursement under any other plan covering health benefits for this same expense.



- All healthcare FSA claims also require a written statement from an independent third party, such as a provider's receipt or bill, listing the name of the patient, the date of service, the type of medical expense, and the dollar amount. The "Special Exceptions or Requirements" column provides additional details to ensure your particular expense is eligible and/or whether the expense is only partially reimbursable.
- Expenses marked as "Your plan may allow partial reimbursement only." This indicates that the expense may only be partially eligible, meaning that only the portion of the cost that exceeds the price of a "regular" item of the same type is allowable for reimbursement. Adequate substantiation for these dual-purpose items must include a qualified medical practitioner's diagnosis of a medical condition and recommendation of the item to treat the diagnosed condition and a statement from the participant that the item would not have been purchased "but for" the provider's recommendation. If required by the employer's plan, a statement from an independent third party assessing the variation in cost between a regular item and the cost of the enhanced item may be necessary; e.g., the difference in cost between a standard item and a specialized item designed to treat or alleviate allergic conditions. Please refer to your plan documentation for details on any special requirements. **Example:** Your doctor recommends a special furnace filter that traps allergens and costs \$12 more than a regular filter. Based on this recommendation and third-party substantiation of the \$12 cost difference, you may be able to claim the \$12 expense under your healthcare FSA account.
- **Special Foods:** The IRS guidance provides that, generally, the cost of special food or beverages does not qualify as a medical expense within the meaning of section 23(x) of the Code. However, in special cases, depending upon the particular facts presented, if the prescribed food or beverage is taken solely for the alleviation or treatment of an illness, is in no way a part of the nutritional needs of the patient, and a statement as to the particular facts and to the food or beverage prescribed is submitted by a physician, the cost of such food or beverage may be deducted as a medical expense. Where the special food or beverage is taken as a substitute for food or beverage normally consumed by a person and satisfies his/her nutritional requirements, the expense incurred is a personal expense within the meaning of section 24(a)(1) of the Code. When the food or beverage is prescribed by a physician for medicinal purposes and is in addition to the normal diet of the patient, the cost may qualify as a medicinal expense under section 23(x). The participant must also certify that the special food or beverage would not have been purchased "but for" the treatment of the medical condition and that the product is not being used as a substitute for ordinary foods/beverages consumed for normal nutritional requirements.

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>A</b>				
<b>AA, Alcoholism, Drug, or Substance Abuse Treatments</b>	Yes			Payment to a treatment center for alcohol or substance abuse is an eligible medical expense. This includes meals and lodging provided by the center during inpatient medical treatment.
<b>Abortion</b>	Potentially Eligible			Check your employer's specific FSA plan to determine if this expense is covered.
<b>Acne Treatment</b> <ul style="list-style-type: none"> <li>• Acne medication</li> <li>• Acne peels</li> <li>• Cryosurgery</li> <li>• Dermabrasion</li> <li>• Laser treatment</li> </ul>	Potentially Eligible	Maybe	Yes	Acne treatments are eligible when prescribed by a doctor for the treatment of alleviation of the symptoms of the disease.  Treatments to remove blackheads are cosmetic and are ineligible for reimbursement.
<b>Acupuncture</b>	Yes			



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Adoption Fees</b>	No			You may submit healthcare expenses for an adopted child once they become your qualified dependent, including healthcare expenses incurred during the adoption process, such as physical examinations.
<b>Air Conditioner or Purifier</b> (for allergy or asthma relief)	Potentially Eligible		Yes	<p>The primary purpose for the expense must be to treat or alleviate a medical condition; the expense must not have been incurred "but for" the condition. To show that the expense is primarily for medical care, a Doctor's Statement form is required.</p> <p><b><i>Your plan may allow partial reimbursement only.</i></b> If the device is attached to a home permanently (such as central air conditioning), only the amount spent that is more than the value added to the property will qualify. This is considered a <a href="#">Capital Modification</a>.</p>
<b>Allergy Relief</b> <ul style="list-style-type: none"> <li>• Allergy medicines</li> <li>• Allergy shots</li> </ul>	Yes	Yes (Allergy medicines)		
<b>Allergy Relief</b> (Equipment and Supplies) <ul style="list-style-type: none"> <li>• Electro-static air purifier</li> <li>• Humidifier</li> <li>• Nebulizer</li> <li>• Vaporizer</li> <li>• Home/auto air conditioners</li> <li>• Air filters</li> <li>• Special vacuum cleaners</li> <li>• Special pillows, mattress covers, etc. to alleviate an allergic condition</li> <li>• Removal of flooring*</li> <li>• Saline eye drops</li> <li>• Saline nasal aspirators or sprays</li> </ul>	Potentially Eligible	Maybe	Yes	<p><b><i>Your plan may allow partial reimbursement only for the difference in cost (e.g., a special pillow treated to relieve allergies versus a standard pillow) or a permanent enhancement to the home, or for a Capital Modification.</i></b></p> <p>See Air Conditioner or Purifier above.</p> <p>If installing a permanent fixture in your house, this is considered a <a href="#">Capital Modification</a>.</p> <p>*The replacement of flooring is <b>not</b> an eligible expense, only the removal may be eligible; final determination will be made based upon the documentation received.</p> <p><b>Medicines or drugs used in conjunction with allergy equipment, such as a nebulizer will require a prescription. Non-saline nasal aspirators or sprays, or non-saline eye drops, used to treat allergy symptoms will also require a prescription.</b></p>
<b>Ambulance Service</b>	Yes			



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Arch Supports</b>	Yes			Arch supports made by and purchased at Podiatrist or Orthopedic doctor are eligible without a Doctor's Statement.
<b>Artificial Limb (prosthesis) or Teeth (dentures or implants)</b>	Yes			
<b>Artificial Insemination</b> <ul style="list-style-type: none"> <li>• Fertility exams</li> <li>• Embryo replacement and storage</li> <li>• Egg donor fees</li> <li>• In-vitro fertilization</li> <li>• Sperm bank/semen storage for artificial insemination</li> <li>• Sperm implants due to sterility</li> <li>• Sperm washing</li> <li>• See also "<a href="#">Fertility Treatments</a>"</li> </ul>	Yes			
<b>Audio Books</b> <ul style="list-style-type: none"> <li>• Books on tape</li> <li>• Books on CD</li> <li>• Books online or other digital formats</li> </ul>	Potentially Eligible		Yes	Documentation of a visual impairment or other disability which necessitates an audio/electronic version is required. <b>Your plan may allow partial reimbursement only.</b>
<b>Automobile</b> <ul style="list-style-type: none"> <li>• Installing equipment such as hand controls, lifts, or ramps</li> <li>• Special-design vehicles</li> </ul>	Potentially Eligible		Yes	<p><b>Modification:</b> The cost of installing hand controls and other special equipment installed in an automobile for the use of a disabled person is an eligible medical expense.</p> <p><b>Special-design vehicle: Your plan may allow partial reimbursement only.</b> Only the difference in cost between a regular vehicle and one specifically designed to hold a wheelchair or other medical equipment is an eligible medical expense.</p> <p><b>Operating cost:</b> The cost of operating a specially equipped vehicle, except as discussed under <a href="#">Transportation</a>, is <b>not</b> an eligible expense.</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>B</b>				
<b>Baby Formula</b>	Potentially Eligible		Yes	The cost of food, including baby formula, may be eligible if used as a proven treatment for a diagnosed medical condition of the infant and not a substitute for food that an infant would normally consume to meet nutritional requirements (Rev. Rul. 55-261, 1955-1 C.B. 307). The cost of formula may qualify as an expense for medical care if the participant can substantiate all of the following circumstances: (1) The infant has a medical condition (disease, illness, or injury); (2) the participant's purpose in purchasing the food is to treat or alleviate the medical condition; (3) the participant would not have purchased the food "but for" the medical condition; and (4) the infant is not consuming the food to satisfy normal nutritional requirements. <b>Your plan may allow partial reimbursement only if the formula is fortified with nutritional supplements exceeding the cost of regular formula.</b>
<b>Birth Control / Family Planning</b> <ul style="list-style-type: none"> <li>• Norplant or Depo-Provera</li> <li>• Ovulation kits</li> <li>• Condoms</li> <li>• Spermicides</li> <li>• Birth control pills, patches or rings</li> <li>• Diaphragm or IUD</li> <li>• Tubal ligation</li> <li>• Vasectomy</li> </ul> This birth control list is not exhaustive.	Yes			
<b>Blood Storage</b>	Potentially Eligible		Yes	Fees for storing blood for surgery in the near future are an eligible medical expense. Fees for storing blood for use in the indefinite future are <b>not</b> an eligible expense.
<b>Body Scan</b> <ul style="list-style-type: none"> <li>• CT body scanning</li> <li>• Full body scanning</li> <li>• Whole body scanning</li> </ul>	Yes			
<b>Botox Treatment</b>	Potentially Eligible		Yes	Botox is generally cosmetic and <b>not</b> an eligible expense. Botox used to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma is an eligible expense. Botox used for the treatment of migraines is an eligible expense.



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Braces and other Orthodontics</b>	Yes			
<b>Braille Books and Magazines</b>	Yes			<b>Your plan may allow partial reimbursement only.</b>
<b>Breast Pumps and Related Supplies</b>	Yes			Fees submitted for lactation consultants are not eligible unless medical treatment is rendered. A statement from an independent third party would be required.
<b>C</b>				
<p><b>Capital Modification</b> (house) A capital modification is an expense incurred for the primary purpose of accommodating a participant's personal residence to a disability of the FSA participant or participant's dependent.</p> <ul style="list-style-type: none"> <li>• Constructing ramps</li> <li>• Widening doorways</li> <li>• Installing railing or support bars to bathrooms, stairways, etc.</li> <li>• Lowering or modifying kitchen or bathroom cabinets</li> <li>• Altering the location of, or modifying electrical outlets and fixtures</li> <li>• Installing porch lifts and other forms of lifts (generally, this excludes elevators because they may add to the fair market value of your residence)</li> <li>• Modifying fire alarms, smoke detectors and other warning systems</li> <li>• Modifying hardware on doors</li> <li>• Grading of ground to provide access to the residence</li> <li>• Isolation of lead-based paint through wall covering (wallboard, paneling)*</li> <li>• Removal of lead-based paint*</li> </ul>	Potentially Eligible		Yes	<p><b>This list is not exhaustive.</b> Capital modifications that <b>do not</b> increase the value of the participant's personal residence will generally be reimbursed for the full cost of the expense.</p> <p>Capital modifications that <b>do</b> increase the value of the participant's personal residence will generally be reimbursed for a portion of expense cost.</p> <p>The reimbursement amount is reduced by the increase in the value of the property. The remaining balance is the eligible medical expense. <a href="#">A capital expense worksheet can be found in IRS Publication 502</a> to determine the amount that may be reimbursable.</p> <p>Only reasonable costs incurred to accommodate a participant's personal residence to the disability are considered eligible. Additional costs attributable to personal motivations, such as architectural or aesthetic reasons, are <b>not</b> allowable as medical expenses.</p> <p><b>Operation and upkeep:</b> If a capital modification qualifies as an eligible medical expense, amounts paid for operation and upkeep also qualify as eligible medical expenses as long as the medical reason for the capital modification still exists. This is allowable even if none or only part of the original expense qualified as medical care expense (e.g., fuel to operate, cost of repairs, cleaning costs).</p> <p><b>Improvements to rental property:</b> As an example, amounts paid by a disabled person to buy and install special plumbing fixture, mainly for medical reasons, in a rented house may qualify as eligible medical expenses provided the rental property is the participant's principal residence.</p> <p>Warranties are <b>not</b> an eligible medical expense.</p> <p>*Does <b>not</b> include the cost of painting the wallboard as a medical expense.</p>

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Childbirth-Related</b> <ul style="list-style-type: none"> <li>• Childbirth prep classes (Lamaze)</li> <li>• Lactation consultants</li> <li>• Midwife fees</li> <li>• Maternity girdles (for back pain) or special support hose (for leg circulation)</li> <li>• Home pregnancy tests</li> <li>• Ovulation kits</li> </ul>	Yes			New parents, newborn childcare classes, or sibling classes are <b>not</b> eligible. Home pregnancy tests (e.g., ClearBlue) and ovulation kits (e.g., FirstResponse) are still eligible for reimbursement without a prescription. <b>This childbirth-related list is not exhaustive.</b>
<b>Childbirth-Related</b> <ul style="list-style-type: none"> <li>• Doula fees</li> </ul>	Potentially Eligible		Yes	Typically doulas do not provide medical care. To be considered, a claim must include a statement from an independent third party detailing the medical care provided by the doula. <b>This childbirth-related list is not exhaustive.</b>
<b>Chiropractor Fees</b>	Yes			
<b>Christian Science Practitioners</b>	Yes			
<b>Church of Scientology Practitioners</b>	No			
<b>Circumcision</b>	Yes			Fees for "ritual" circumcision performed by a non-healthcare provider (e.g., a rabbi, mohel) are <b>not</b> eligible.
<b>Classes, Health-Related</b>	Potentially Eligible		Yes	Health-related classes may qualify if recommended by a doctor to treat a medical condition, such as asthma or diabetes. The purpose of the training must be for the treatment of the disease and not for the promotion of general health.
<b>Colonic Cleansing/Wash</b>	No			
<b>Concierge (Boutique) Fees</b>	No			
<b>Contact Lenses and Contact Lens Cleaner</b>	Yes			Prescription contact lenses only. Contact lens cleaner or wetting drops are eligible without a prescription.
<b>Cord Storage</b>	Potentially Eligible		Yes	Fees for storing umbilical cords for surgery in the near future (generally one year) are an eligible medical expense.  Fees for storing umbilical cords for use in the indefinite future are <b>not</b> an eligible expense.
<b>Cosmetic Surgery and Procedures</b> <ul style="list-style-type: none"> <li>• Dental veneers, bonding, tooth whitening/bleaching</li> <li>• Facelifts</li> <li>• Blepharoplasty</li> <li>• Sclerotherapy</li> <li>• Botox or Collagen injections</li> </ul>	Potentially Eligible		Yes	A cosmetic surgery or procedure can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma.  Some of these procedures/treatments may be covered under alternative uses (e.g., Botox for treatment of migraines).

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Cosmetic Surgery and Procedures</b> <ul style="list-style-type: none"> <li>• Cosmetics (make-up)</li> <li>• Tattooing and ear/body piercing</li> <li>• Liposuction</li> <li>• Removal of tattoos</li> <li>• Facials, chemical peels</li> <li>• Breast implants, lifts</li> <li>• Hair transplants or electrolysis</li> </ul>	No			
<b>Counseling</b> <ul style="list-style-type: none"> <li>• Psychotherapy and psychoanalysis</li> <li>• Sex therapy</li> <li>• Bereavement and grief counseling</li> <li>• Telephone counseling</li> <li>• Marriage counseling</li> </ul>	Potentially Eligible		Yes	<p>Counseling must be performed to alleviate or prevent a physical or mental defect or illness. Eligibility is determined by the nature of the treatment and not the license of the practitioner.</p> <p>Marriage counseling is not an eligible expense, <b>unless</b> performed for the purpose of alleviating or preventing a physical or mental defect or illness.</p>
<b>Crutches</b>	Yes			
<b>D</b>				
<b>Dancing or Swimming Lessons, etc.</b>	No			<p>The cost of dancing lessons, swimming lessons, etc., even if a doctor recommends them for the general improvement of one's health, is <b>not</b> an eligible medical expense.</p>
<b>Dental Care and Prevention</b> <ul style="list-style-type: none"> <li>• Cleaning</li> <li>• X-rays</li> <li>• Fillings</li> <li>• Braces or other orthodontics</li> <li>• Extractions</li> <li>• Dentures</li> <li>• Bonding and sealants for dentures</li> <li>• Crowns</li> <li>• Porcelain veneers (if allowed by dental plan, i.e., not cosmetic)</li> </ul>	Yes			<p>Sonic toothbrushes, Waterpiks, and similar devices are considered personal in nature and are <b>not</b> eligible for reimbursement.</p> <p>Cosmetic procedures are usually ineligible for reimbursement; see below.</p>
<b>Dental Treatment - Cosmetic</b> <ul style="list-style-type: none"> <li>• Teeth whitening or bleaching</li> <li>• Porcelain veneers (if <b>not</b> allowed by dental plan)</li> </ul>	Potentially Eligible		Yes	<p>A cosmetic surgery or procedure can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma.</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Diabetic Supplies</b> <ul style="list-style-type: none"> <li>• Sterile cotton balls*</li> <li>• Alcohol prep swabs*</li> <li>• Glucose tablets</li> <li>• Glucometer and test strips</li> <li>• Needles (lancets)</li> <li>• Syringes</li> <li>• Glucagon emergency kit</li> <li>• Ketone urine test strips</li> <li>• Training classes</li> </ul>	Potentially Eligible	Maybe	Maybe	<p><b>Insulin is eligible for reimbursement without a prescription.</b> Diabetic candy is not eligible.</p> <p>*Non-sterile cotton balls are not eligible unless required for treatment of a medical condition. A Doctor's Statement form will be required.</p> <p>*Alcohol swabs and medications to treat skin conditions related to diabetes may require a prescription.</p>
<b>Diapers or Diaper Service</b>	Potentially Eligible		Yes	Diapers for a disabled child, other than a newborn, may be eligible, but only if needed to relieve the effects of a particular disease. See also <a href="#">Incontinence Supplies</a> .
<b>Doctor Fees</b> <ul style="list-style-type: none"> <li>• Anesthesiologist</li> <li>• Chiropractors</li> <li>• Chiropractor</li> <li>• Christian Science Practitioner</li> <li>• Dentist</li> <li>• Dermatologist</li> <li>• Gynecologist</li> <li>• Naturopath</li> <li>• Neurologist</li> <li>• Obstetrician</li> <li>• Oculist</li> <li>• Oncologist</li> <li>• Ophthalmologist/Optomtrist</li> <li>• Optician</li> <li>• Orthopedist</li> <li>• Osteopath</li> <li>• Otorhinolaryngologist</li> <li>• Pediatrician</li> <li>• Physician</li> <li>• Podiatrist</li> <li>• Psychiatrist</li> <li>• Physiotherapist</li> <li>• A physical without diagnosis or not covered by insurance</li> <li>• Consultations</li> <li>• Transfer of medical records</li> <li>• Any expense a doctor may charge to write a letter describing the medical condition and how a recommended item will treat that condition</li> </ul>	Yes			<p>Fees include the portion of the expense not paid for by other health insurance (the "out-of-pocket" portion)</p> <p>Late fees, finance fees, missed appointments, etc., are <b>not</b> eligible medical expenses.</p> <p><b>This list is not exhaustive.</b></p>

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Drugs/Medicines – Prescriptions</b>	Yes			<p>Prescription drugs must be prescribed by a certified physician and must be purchased legally within the U.S. This requirement is satisfied by having your prescriptions filled at the pharmacy of your choice.</p> <p>See <a href="#">Health Expenses Incurred Outside of the United States</a> for travel or extraordinary circumstances.</p>
<b>Drugs/Medicines - Over-the-Counter</b>	Potentially Eligible	Yes		<p>Your plan must include OTC medicines in order for it to be an eligible expense.</p> <p>As of January 1, 2011, all reimbursements of OTC medicines or drugs (with the exception of insulin) are subject to additional regulations. Please see <a href="#">Appendix A</a> at the end of this section for more information.</p>
<b>Drug Addiction Treatment</b>	Yes			
<b>E</b>				
<b>Electrolysis or Hair Removal</b>	Potentially Eligible		Yes	<p>Electrolysis or hair removal can be an eligible expense but only if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Electrolysis or hair removal to improve one's appearance is an ineligible cosmetic expense.</p>
<b>Exercise Equipment and Programs</b> <ul style="list-style-type: none"> <li>• Exercise videos or DVDs</li> </ul>	Potentially Eligible		Yes	<p>The exercise equipment and program must treat a medical condition diagnosed by a healthcare provider (e.g., obesity, diabetes, high blood pressure). Only the cost of the program is eligible.</p> <p>The cost of a weight loss program to improve your general health and appearance is <b>not</b> an eligible expense. See <a href="#">Weight Loss Program</a>.</p>
<b>Eyeglasses and Eye Care</b> <ul style="list-style-type: none"> <li>• Eye examinations</li> <li>• Contact lens, fitting fee, replacement lens</li> <li>• Contact lens solutions</li> <li>• Reading glasses,</li> <li>• Prescription glasses, prescription sports goggles, prescription sunglasses, scuba masks or safety glasses</li> <li>• Artificial eye and polish</li> <li>• Radial keratotomy, laser surgery or other vision correction surgery *</li> </ul>	Yes	Maybe		<p>The following items are <b>not</b> eligible:</p> <ul style="list-style-type: none"> <li>• Vision insurance premiums</li> <li>• Eyeglass or other vision-related warranties</li> <li>• Non-prescription sunglasses</li> <li>• Non-prescription cosmetic contact lenses (i.e., color-change lenses only)</li> <li>• Clip-on sunglasses</li> </ul> <p>*Surgery is eligible if done primarily to promote the correct function of the eye. A Doctor's Statement form may be required to document the condition being treated.</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>F</b>				
<b>Face Masks</b>	Potentially Eligible		Yes	Medical-grade face masks may be eligible if recommended by a physician to prevent the spread or infection of various diseases which could be harmful to a person with an existing medical condition; e.g., chronic respiratory, cardiac or other medical conditions. A "but for" statement from the participant must also be provided.
<b>Facilities</b> <ul style="list-style-type: none"> <li>Hospital</li> <li>Nursing home</li> <li>Rehabilitation facility</li> <li>Home for mentally or physically disabled</li> </ul>	Yes			Fees for a facility, such as a hospital or similar institution, are eligible expenses if the main reason for being there is to receive medical care.
<b>Feminine Hygiene</b> <ul style="list-style-type: none"> <li>Sanitary napkins (pads &amp; tampons)</li> </ul>	Potentially Eligible	Maybe	Yes	Sanitary napkins may be an eligible expense if used for treatment of a medical condition, such as after surgery or childbirth. A Doctor's Statement form and a "but for" statement from the participant will be required.  Items used for medicinal purposes, such as medicated douches, would require a prescription.
<b>Fertility Treatments</b> <ul style="list-style-type: none"> <li>Artificial insemination</li> <li>Fertility exams</li> <li>Embryo replacement and storage</li> <li>Egg donor: recipient's medical expenses (recipient must be FSA participant or participant's dependent and the charges are deemed eligible by the medical plan)</li> <li>In-vitro fertilization</li> <li>Sperm bank/semen storage for artificial insemination</li> <li>Sperm implants due to sterility</li> <li>Sperm washing</li> <li>Reverse vasectomy</li> <li>Reverse tubal ligation</li> </ul>	Yes			
<b>Fluoride Treatments (e.g., fluoride rinses)</b>	Yes	Yes		
<b>Funeral Expenses</b>	No			



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>G</b>				
<b>Gender Re-Assignment</b> <ul style="list-style-type: none"> <li>• Surgery</li> <li>• Counseling</li> <li>• Hormone therapy</li> </ul>	No			Gender reassignment is generally not eligible. Reimbursement will be determined in accordance with your plan's provisions.
<b>Genetic Testing</b>	Potentially Eligible		Yes	Genetic testing performed to detect possible birth defects is an eligible expense.  Testing to determine a child's gender is <b>not</b> eligible.
<b>Guide Dogs</b> <ul style="list-style-type: none"> <li>• Cost of the animal</li> <li>• Care of the animal</li> </ul>	Potentially Eligible		Yes	Eligibility of transportation costs for persons accompanying a service animal for retraining purposes will be based on the circumstances and facts in place at the time the expense is incurred; e.g., if both the person requiring guide dog assistance and the dog need additional training, then transportation expenses may be eligible.
<b>H</b>				
<b>Hair Loss Treatment</b>	Potentially Eligible	Yes	Yes	Hair loss treatment is eligible only if required to treat a diagnosed medical condition. Treatment for hair loss which occurs as a normal part of aging or inherited or genetic baldness, or for cosmetic purposes, would not be covered. The only exceptions are: (1) a deformity arising from or directly related to a congenital abnormality; (2) a personal injury resulting from an accident or trauma; or (3) a disfiguring disease. See <a href="#">Wigs or Toupees</a> .
<b>Hair Transplant</b>	Potentially Eligible		Yes	Surgical hair transplants can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Treatment for hair loss which occurs as a normal part of aging or inherited or genetic baldness, or for cosmetic purposes, would not be covered.
<b>Health Club Dues</b>	Potentially Eligible		Yes	Health club membership fees paid subsequent to a doctor's recommendation for the treatment of a medical condition are eligible.  Amounts paid for health club dues or steam baths for your general health or to relieve physical or mental discomfort not related to a particular medical condition are <b>not</b> eligible expenses.



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Health Expenses Incurred Outside of the United States</b>	Yes		Yes	Expenses must be for the FSA participant or eligible dependent, and must involve medical care which could be legally provided within the U.S. For example, obtaining laetrile treatments in Mexico is <b>not</b> an eligible expense because laetrile cannot be legally obtained in the U.S.  Prescription drugs purchased outside of the United States are <b>not</b> eligible <b>unless</b> the participant was outside of the United States at the time when the medication was needed.
<b>Health Screenings</b>	Yes			The cost of a public health screening (i.e., VDRL, cholesterol, diabetes glucose, blood pressure, etc.) is an eligible medical expense.
<b>Hearing Exams</b>	Yes			
<b>Hearing Aids</b> <ul style="list-style-type: none"> <li>• Purchase price and maintenance cost for hearing aid</li> <li>• Batteries needed to operate the hearing aid</li> <li>• Television or telephone adapter for the deaf</li> <li>• Lip reading lessons</li> <li>• Hearing exams</li> </ul>	Yes			
<b>Hippotherapy</b> <ul style="list-style-type: none"> <li>• Therapeutic horseback riding</li> </ul>	Potentially Eligible		Yes	Recreational horseback riding is <b>not</b> an eligible expense.
<b>Hormone Replacement Therapy</b>	Yes			
<b>Hospital Services/Fees</b> <ul style="list-style-type: none"> <li>• Private room fees</li> <li>• Hospital kits (water pitcher, razor, toothbrush, lotion, etc.)</li> </ul>	Yes			
<b>Household Help</b> <ul style="list-style-type: none"> <li>• Cleaning services</li> <li>• Cook/chef</li> <li>• Personal assistant</li> <li>• Driver</li> <li>• Gardener</li> </ul>	No			The cost of household help, even if recommended by your doctor, is <b>not</b> eligible as a medical expense. See <a href="#">Dependent Care FSA Eligible Expenses</a> .  Certain expenses paid to an attendant providing nursing type service may be eligible. See <a href="#">Nursing Services</a> .
<b>Human Chorionic Gonadotropin (HCG) Injections</b>	Potentially Eligible		Yes	HCG injections may be eligible for infertility, but not for general weight loss or steroid enhancement unrelated to a medical condition. May also be permitted to test for tumors.

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Hypnosis</b>	Potentially Eligible		Yes	Hypnosis may qualify if performed by a licensed professional to treat a medical condition (e.g., smoking cessation or weight loss due to a diagnosed medical condition); does not qualify for personal well-being, such as general stress relief. The provider's recommendation for hypnosis must be submitted by a practitioner qualified to diagnose the medical condition being treated.
<b>I</b>				
<b>Incontinence Supplies</b>	Yes			Diapers used to relieve incontinence or a related medical condition for adults or children generally will qualify as medical care expenses. Regular diapers or diaper services for newborns generally will not qualify. See <a href="#">Diapers or Diaper Services</a> .
<b>Insole/Shoe Inserts</b>	Potentially Eligible		Yes	
<b>Insurance Co-Pays</b>	Yes			
<b>Insurance Deductibles</b>	Yes			
<b>Insurance Premiums</b> <ul style="list-style-type: none"> <li>• Any medical, dental or vision insurance premium (HMO, DMO, PPO, etc.)</li> <li>• Long-term care insurance premium</li> <li>• Medicare (parts A, B &amp;D)</li> <li>• Life insurance</li> <li>• Disability insurance premiums</li> <li>• Warranties</li> <li>• COBRA premiums</li> </ul>	No			Student health fees qualify only if the expense is for specific medical services listed separately on a tuition statement. The costs associated simply with belonging to a program do not qualify.
<b>L</b>				
<b>Laboratory Fees</b> <ul style="list-style-type: none"> <li>• Blood tests</li> <li>• Cardiographs</li> <li>• Metabolism test</li> <li>• Stool exams</li> <li>• Spinal test</li> <li>• Urinalysis</li> <li>• X-ray exams</li> <li>• Pap smears</li> <li>• Cholesterol test</li> <li>• Thyroid profile</li> <li>• Storage fees for blood taken for surgery in the near future (not long-term storage)</li> <li>• Laboratory handling fees</li> <li>• Shipping and transport fees</li> </ul>	Yes			



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Lead-based Paint</b> <ul style="list-style-type: none"> <li>• Removal of paint</li> <li>• Covering of paint</li> </ul>	Potentially Eligible		Yes	<p>If a dependent is diagnosed with lead poisoning, due to eating paint, the cost of removing lead-based paints from the surfaces in your home is an eligible medical expense. These surfaces must be in poor repair (peeling or cracking) or within the dependent's reach. The cost of repainting the scraped area is <b>not</b> an eligible expense.</p> <p>If, instead of removing the paint, you cover the area with wallboard or paneling, you would treat these items as a <b>Capital Modification</b>. Regular Capital Modification limitations to reimbursements apply.</p>
<b>Legal Fees for Medical Care Authorizing Treatment For Mental Illness</b>	Yes			<p>Legal fees paid to authorize the treatment of a medical condition are eligible. Any fees related to guardianship or estate management are <b>not</b> eligible expenses.</p>
<b>Lodging</b> <ul style="list-style-type: none"> <li>• Hospital</li> <li>• Nursing home</li> <li>• Rehabilitation facility</li> </ul>	Yes			<p>Lodging at a hospital or similar institution is an eligible expense if the primary reason for being there is to receive medical care.</p>
<b>Lodging (while receiving medical care while away from home)</b> <ul style="list-style-type: none"> <li>• Hotel</li> <li>• Motel</li> </ul>	Yes			<p>The cost of lodging not provided in a hospital or similar institution while away from home* is an eligible medical expense <b>if</b>:</p> <ul style="list-style-type: none"> <li>• the lodging is primarily for and essential to medical care;</li> <li>• medical care is provided by a doctor in a licensed hospital or medical care facility equivalent of, a licensed hospital;</li> <li>• the lodging is not lavish or extravagant under the circumstances; and</li> <li>• there is no significant element of personal pleasure, recreation, or vacation in the travel away from home.</li> </ul> <p>*The amount you include as medical expenses may not exceed \$50 per night per person. Lodging is included for a person for whom transportation expenses are a medical expense because that person is traveling with the person receiving medical care. (e.g., a parent traveling with a sick child is allowed up to \$100.00 per night as a medical expense for lodging). Meals are <b>not</b> an eligible medical expense in this instance.</p>
<b>M</b>				
<b>Marijuana</b>	No			<p>Payments for medications or treatments illegal in the United States are ineligible for reimbursements. State law does not supersede federal law (e.g., California marijuana dispensaries).</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Massage Therapy</b>	Yes			
<b>Maternity</b> <ul style="list-style-type: none"> <li>• Childbirth prep classes (Lamaze)</li> <li>• Doula fees</li> <li>• Home pregnancy tests</li> <li>• Lactation consultants</li> <li>• Midwife fees</li> <li>• Maternity girdles (for back pain) or special support hose (for leg circulation)</li> <li>• Ovulation kits</li> </ul>	Yes			<p>New parents, newborn childcare classes, or sibling classes are <b>not</b> eligible.</p> <p>Itemized receipts for services provided to new mother are required.</p>
<b>Meals</b> <ul style="list-style-type: none"> <li>• Hospital</li> <li>• Nursing home</li> <li>• Rehabilitation facility</li> </ul>	Yes			Meals at a hospital or similar institution are eligible expenses if the main reason for being there is to receive medical care.
<b>Medical Alert</b> <ul style="list-style-type: none"> <li>• Medical alert bracelet</li> <li>• Medical alert systems</li> </ul>	Potentially Eligible		Yes	Medical alert bracelets are generally eligible. Medical alert systems will qualify if recommended by a medical practitioner in connection with treatment of a medical condition.
<b>Medical Information</b> <ul style="list-style-type: none"> <li>• Electronic maintenance of medical plan info</li> <li>• Fees to transfer records due to a change in physicians</li> </ul>	Yes			Amounts paid to a service that keeps medical information in a computer data bank and retrieves and furnishes the information upon request are eligible expenses.
<b>Medical Supplies</b> <ul style="list-style-type: none"> <li>• Bandages</li> <li>• Thermometers</li> <li>• Heating pad/pack, ice pack</li> <li>• Back braces or supports</li> <li>• Surgical stockings</li> <li>• Wheelchairs, walkers, canes, crutches</li> <li>• Truss</li> <li>• Diabetic supplies</li> <li>• Orthopedic shoes**</li> <li>• Orthopedic shoe inserts, or orthotics:***</li> <li>• Corn-removal treatments or pads*</li> <li>• Blood pressure kit</li> <li>• Glucose kit</li> <li>• First aid kit</li> <li>• Cholesterol testing kit</li> <li>• Inclinator*</li> <li>• Reclining chair*</li> <li>• Massage chair*</li> <li>• Special mattress*</li> <li>• Physician's scales*</li> <li>• Bed boards*</li> <li>• Educational materials related to a diagnosed illness*</li> <li>• Support/compression hose</li> </ul>	Potentially Eligible		Maybe	<p>Expenses paid for medical supplies used to aid a person suffering from physical defect/illness are eligible medical expenses.</p> <p>Medical supplies will not qualify if used for personal or preventive reasons.</p> <p><b>*Doctor's Statement required. These items also require a "but for" statement from the participant.</b></p> <p><b>Your plan may allow partial reimbursement only.</b></p> <p>**Cost difference between cost of ordinary shoe and orthopedic shoe is eligible without a Doctor's Statement.</p> <p>***Arch supports made by and purchased at Podiatrist or Orthopedic doctor are eligible without a Doctor's Statement.</p> <p>See <a href="#">Over-the-Counter Supplies</a>.</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
Mentally Disabled, Home For	Yes			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.
<b>N</b>				
Nursing Home	Yes			The cost of medical care, including meals and lodging in a nursing home or home for the aged, rest home or sanitarium, if the primary reason for being there is to get medical care, is an eligible medical expense.
<b>Nursing Services</b> <ul style="list-style-type: none"> <li>• Wages and other fees paid for nursing services</li> <li>• Extra rent or utility expenses for a participant to move into a larger residence with extra space (bedroom) for a nurse or private attendant</li> </ul>	Yes			<p>Services do not need to be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes caring for the patient's dressings and bathing and grooming a patient.</p> <p>Household services and personal care unrelated to medical care and not covered under your medical plan are <b>not</b> eligible medical expenses.</p>
<b>Nutritional Supplements</b> <ul style="list-style-type: none"> <li>• Ensure</li> <li>• PediaSure</li> </ul>	Potentially Eligible	Maybe	Yes	<p>Nutritional supplements may be eligible if used as a proven treatment for a diagnosed medical condition, and not a substitute for food that an individual would normally consume to meet nutritional requirements (Rev. Rul. 55-261, 1955-1 C.B. 307). The cost of food may qualify as an expense for medical care if the participant can substantiate all of the following circumstances: (1) The participant (or a spouse or dependent) has a medical condition (disease, illness, or injury); (2) the participant's purpose in purchasing the food is to treat or alleviate the medical condition; (3) the participant would not have purchased the food "but for" the medical condition; and (4) the participant is not consuming the food to satisfy normal nutritional requirements.</p> <p><b><i>Your plan may allow partial reimbursement only if the supplement involves a special food fortified with nutritional supplements exceeding the cost of regular food items.</i></b></p> <p>Nutritional supplements in pill or liquid form may also require a prescription.</p> <p>See <a href="#">Special Food</a>.</p>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>O</b>				
<b>Orthodontics</b>	Yes			
<b>Over-the-Counter Medicines/Drugs</b>	Potentially Eligible	Yes	Maybe	Your plan must allow Over-the-Counter (OTC) medicines in order for the OTC to be an eligible expense. As of January 1, 2011, all reimbursements of over-the-counter medicines or drugs (other than insulin) will be subject to additional regulations. Please see the <a href="#">OTC Guide</a> at the end of this section for more information.
<b>Over-the-Counter Medicine Dispensing Fee</b>	Yes			Ex: Doctor writes a prescription for Advil. Participant fills at pharmacy as Rx. Pharmacy charges \$8.49 for Rx plus \$1.00 additionally for dispensing.
<b>Over-the-Counter Supplies</b>	Potentially Eligible		Yes	OTC items, other than medicines or drugs, intended for medical use only and not merely to benefit the participant, are an eligible medical expense.  Please see <a href="#">Medical Supplies</a> and the <a href="#">OTC Guide</a> at the end of this section.
<b>Oxygen</b> <ul style="list-style-type: none"> <li>• Oxygen tanks</li> <li>• Oxygen equipment</li> </ul>	Yes			
<b>P</b>				
<b>Patterning Exercises</b>	Yes			Patterning Exercise Therapy for neurological disabilities.
<b>Penile Implants</b>	Potentially Eligible		Yes	A penile implant is an eligible expense only if impotence is due to organic causes such as trauma, post-prostatectomy, or diabetes.
<b>Personal Hygiene Products</b> <ul style="list-style-type: none"> <li>• Toothpaste, toothbrush, mouthwash, floss</li> <li>• Deodorant</li> <li>• Shampoo, conditioner, hair spray</li> <li>• Bath soap, hand soap</li> <li>• Shaving cream</li> </ul>	No			
<b>Prescription Drugs</b>	Yes			Prescription drugs are an eligible expense if prescribed by a doctor and legally purchased in the United States.
<b>Prescription Drug Additives</b>	No			Flavorex is an additive used to improve the taste of medicine. Any cost associated with Flavorex is not eligible.
<b>Prosthesis</b>	Yes			See <a href="#">Artificial Limb or Teeth</a> .
<b>Psychiatric Care</b>	Yes			Eligible expenses include the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives inpatient or outpatient medical care.



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Psychoanalysis</b>	Potentially Eligible		Yes	Payment for psychoanalysis that is part of a person's training to be a psychoanalyst is <b>not</b> an eligible medical expense.
<b>Psychologist</b>	Yes			
<b>R</b>				
<b>Radon Mitigation</b>	Potentially Eligible		Yes	Radon testing must have occurred and there must be a level of radon generally recognized as harmful in order for mitigation to be an eligible expense.  Any structural repairs are subject to the limitation on capital expenditures.
<b>Rehydration Products</b> • Pedialyte	Yes	Yes		
<b>S</b>				
<b>Sales Tax or Shipping &amp; Handling</b>	Yes			Costs for sales or state-mandated taxes and shipping or handling fees associated with an eligible expense; e.g., shipping and handling fees for lab work and other specimens, donors, etc.
<b>Service Animals for Disabled Persons</b> • Cost of the animal • Care of the animal	Yes			Eligibility of transportation costs for persons accompanying a service animal for retraining purposes will be based on the circumstances and facts in place at the time the expense is incurred; e.g., if both the person requiring service animal assistance and the service animal need additional training, then transportation expenses may be eligible.
<b>Smoke Detector for Disabled Persons</b>	Yes			A modified smoke detector (e.g., with lights for the hearing impaired) is eligible, but only the difference in cost between a standard smoke detector and the version with lights. <b>Your plan may allow partial reimbursement only.</b>
<b>Special Food</b>	Potentially Eligible		Yes	Special food may be eligible if used as a proven treatment for a diagnosed medical condition, and not a substitute for food that an individual would normally consume to meet nutritional requirements (Rev. Rul. 55-261, 1955-1 C.B. 307). The cost of food may qualify as an expense for medical care if the participant can substantiate all of the following circumstances: (1) The participant (or a spouse or dependent) has a medical condition (disease, illness, or injury); (2) the participant's purpose in purchasing the food is to treat or alleviate the medical condition; (3) the participant would not have purchased the food "but for" the medical condition; and (4) the participant is not consuming the food to satisfy normal nutritional requirements. <b>Your plan may allow partial reimbursement only if the special food is fortified with nutritional supplements exceeding the cost of regular food items.</b>



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Special Education for Disabled Persons</b> <ul style="list-style-type: none"> <li>• Tuition</li> <li>• Lodging</li> <li>• Meals</li> <li>• Tutoring fees</li> </ul>	Potentially Eligible		Yes	<p>The cost of a school for a mentally impaired or physically disabled person is an eligible expense if the primary reason is to treat or relieve the disability. (e.g., school for the visually impaired; lip reading to the hearing impaired; or remedial language training to correct a condition caused by a birth defect).</p> <p>Tutoring by a professional who is specially trained and qualified to work with learning disabilities is also an eligible expense.</p> <p>The cost of sending a child with behavior problems to a school where the course of study and the disciplinary methods have a beneficial effect on the child's attitude is <b>not</b> an eligible expense.</p> <p>The cost of a boarding school while recuperating from an illness is <b>not</b> an eligible expense.</p>
<b>Speech Therapy</b>	Yes			Speech therapy is an eligible expense if rendered to treat a medical condition or is restorative or rehabilitative in nature.
<b>Sterilization/Sterilization Reversal</b> <ul style="list-style-type: none"> <li>• Vasectomy</li> <li>• Tubal ligation</li> </ul>	Yes			
<b>Stop-Smoking Program or Tools</b>	Potentially Eligible		Yes	<p>Over-the-counter (OTC) items for smoking cessation are only eligible if the employer's plan allows OTC drugs.</p> <p>As of January 1, 2011, all reimbursements of OTC medicines or drugs (other than insulin) require a prescription. See <a href="#">Appendix A</a> for more information.</p> <p>Electronic cigarettes (e-cigarettes) may be eligible if recommended by a doctor as a proven treatment for a diagnosed medical condition. The participant must show that the item would not have been purchased "but for" the treatment of the condition. A Doctor's Statement form and a prescription (filled by a pharmacy with an Rx #) would be required.</p>

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Swimming Pools or Whirlpools</b>	Potentially Eligible		Yes	If a swimming pool or whirlpool is used for the primary purpose of treating a medical condition, a portion of the expense may be eligible. See <a href="#">Capital Modification</a> for more information.  <b><i>Your plan may allow partial reimbursement only.</i></b>
<b>Surgery, Non-Cosmetic</b>	Yes			
<b>T</b>				
<b>Tanning Bed</b>	Potentially Eligible		Yes	Tanning beds are an eligible expense if tanning is used for the treatment of medical condition.
<b>Telephone for Disabled Persons</b> <ul style="list-style-type: none"> <li>• Purchase price of special equipment</li> <li>• Repair of special equipment</li> </ul>	Yes		Yes	The cost of the telephone is not eligible. All that would be eligible would be special modifications needed for a disabled person (e.g., hearing impaired) to use the telephone.  <b><i>Your plan may allow partial reimbursement only.</i></b>
<b>Television for Disabled Persons</b> <ul style="list-style-type: none"> <li>• Purchase price of special equipment</li> <li>• Repair of special equipment</li> </ul>	Yes		Yes	The cost of the television is not eligible. All that would be eligible would be special modifications needed for a disabled person (e.g., hearing impaired) to use the television.  <b><i>Your plan may allow partial reimbursement only.</i></b>
<b>Therapy</b> <ul style="list-style-type: none"> <li>• Physical therapy</li> <li>• Occupational therapy</li> <li>• Speech therapy</li> <li>• Chiropractor fees</li> <li>• Hydrotherapy*</li> <li>• Hypnotherapy*</li> <li>• Radiation therapy</li> <li>• Chemotherapy</li> <li>• Counseling</li> <li>• Telephone counseling</li> </ul>	Potentially Eligible		Maybe	<b>* Doctor's Statement Required</b>
<b>Transcutaneous Electrical Nerve Stimulation (TENS) Unit</b>	Yes			

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Transplants, Organ or Tissue</b> <ul style="list-style-type: none"> <li>Surgical, hospital, laboratory and transportation fees</li> <li>Cost to transfer medical records in order to find organ donors</li> </ul>	Yes			
<b>Transportation for Medical Care</b> <ul style="list-style-type: none"> <li>Mileage for personal automobile</li> <li>Parking fees and tolls</li> <li>Bus, taxi, train, plane fare</li> <li>Ambulance service</li> <li>Transportation for companion if accompanying a patient who is unable to travel alone</li> <li>Transportation for regular visits to see a mentally ill dependent if visits are recommended as part of the treatment</li> <li>Transportation to alcohol or drug rehabilitation meetings</li> <li>Transportation to pharmacy to purchase eligible expenses</li> <li>Transportation to provider for medical treatment</li> </ul>	Yes			<p>Transportation expenses (personal vehicle, airfare, bus fare, etc.) may be reimbursed when the transportation is primarily for, and essential to, medical care. Transportation expenses for a personal vehicle can be reimbursed based on:</p> <p>(1) A mileage rate determined by the IRS, which is subject to change. The current IRS mileage rate can be found at <a href="http://www.irs.gov/irb/2012-50_IRB/ar10.html">http://www.irs.gov/irb/2012-50_IRB/ar10.html</a></p> <p>(2) The actual amount spent on gas and oil (does not include expenses for general repair, maintenance, depreciation or insurance).</p> <p>The following information must be included with the request for mileage reimbursement:</p> <ul style="list-style-type: none"> <li>Amount of miles.</li> <li>Date of transportation.</li> <li>Name of provider, such as doctor or pharmacy name.</li> </ul> <p>The following are <b>not</b> eligible transportation expenses:</p> <ul style="list-style-type: none"> <li>Transportation to and from work, even if the condition requires an unusual means of transportation.</li> <li>Travel to another city if the primary purpose for the travel is not related to medical care, such as a vacation or trip to visit relatives.</li> </ul>
<b>Tuition Fees</b>	Potentially Eligible		Yes	<p>Tuition fees paid to a private school as a personal preference over public schooling for general education are <b>not</b> eligible medical expenses. Fees for medical care that are included in the tuition fee are eligible if the fees are separately stated on tuition statement. Student health fees qualify only if the expense is for specific medical services listed separately on the tuition statement. The costs associated simply with belonging to a program do not qualify. See <b>Special Education for Disabled Persons</b> for additional information on potentially eligible tuition expenses.</p>

Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>U</b>				
<b>Umbilical Cord Storage</b>	Potentially Eligible		Yes	<p>Fees for storing umbilical cords for surgery in the near future (generally one year) are an eligible medical expense.</p> <p>Fees for storing umbilical cords for use in the indefinite future are <b>not</b> an eligible expense.</p>
<b>V</b>				
<b>Vacations</b>	No			A vacation taken for a change in environment, improvement of morale, or general improvement of health – even if made on the advice of a doctor – is <b>not</b> an eligible medical expense.
<b>Varicose Vein Treatment</b>	Yes			
<b>Vitamins and Dietary Supplements</b>	Potentially Eligible	Maybe	Yes	<p>Vitamins or other supplements prescribed by a doctor for the treatment of a specific medical condition are eligible.</p> <p><i>Note: Pre-natal vitamins do not require a prescription or a Doctor's Statement.</i></p> <p>See <a href="#">Appendix A</a> for additional information on vitamins and dietary supplements.</p>
<b>W</b>				
<b>Water Bed</b>	Potentially Eligible		Yes	<p>Expenses for a waterbed used in the aid of a medical condition and not for general well-being are eligible medical expenses.</p> <p><b>Partial reimbursement only (the cost difference between a similar-size mattress and a water bed mattress).</b></p>
<b>Water Fluoridation Units and Water Pik</b>	Potentially Eligible		Yes	Items prescribed by a doctor for the treatment of a specific medical condition are eligible.
<b>Weight Loss Program</b>	Potentially Eligible		Yes	<p>The weight loss program must treat a medical condition diagnosed by a healthcare provider (e.g., obesity, diabetes, high blood pressure). Only program fees are eligible.</p> <p>The cost of a weight loss program to improve your general health and appearance is <b>not</b> an eligible expense.</p> <p>The cost of food for use in weight loss treatment programs is <b>not</b> an eligible expense.</p>
<b>Wheelchair</b> <ul style="list-style-type: none"> <li>• Purchase price of wheelchair</li> <li>• Operating cost of wheelchair</li> <li>• Wheelchair cushions</li> </ul>	Yes			



Healthcare Expense Type	Eligible for Reimbursement	Prescription Required	Doctor's Statement Required	Special Exceptions or Requirements
<b>Wigs or Toupees</b>	Potentially Eligible		Yes	A wig or toupee can be an eligible expense if it is necessary to treat a medical condition or improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Treatment for hair loss which occurs as a normal part of aging or inherited or genetic baldness, or for cosmetic purposes, would not be covered.
<b>X</b>				
<b>X-Ray Fees</b>	Yes			



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## SECTION 2: DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

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The dependent care FSA reimburses expenses incurred for child or adult dependent care expenses for qualified dependents that are necessary to allow an employee and/or the employee's spouse to work, look for work, or who are full-time students.

**Your employer's plan may differ from this guide. For specific information relating to your plan, check your employer's plan documents.**

Please visit the IRS Web site and review [Publication 503](#) for additional information regarding eligible child and dependent care expenses.

### REIMBURSEMENT LIMITATIONS

The IRS limits the reimbursable amount from a dependent care FSA. Your total reimbursements cannot exceed:

- \$5,000 per year if single or married and filing a joint tax return;
- \$2,500 per year if married and filing separate returns; or
- The amount of your or your spouse's annual salary if earning less than \$5,000 (single taxpayers or married taxpayers filing joint tax returns) or \$2,500 (for married taxpayers filing separate tax returns).

If your spouse also participates in a dependent care FSA through his or her employer, the \$5,000 limit is the **total amount** of reimbursements you can receive in any year from all employer-sponsored dependent care FSA plans. The limits cannot be combined in order to receive more than the \$5,000 maximum.

### ELIGIBLE EXPENSES

All eligible expenses must be incurred during your company's plan year to enable you and your legal spouse (if applicable) to remain **gainfully employed**. You and your spouse (if applicable) **are not** considered gainfully employed during paid vacation time, sick time, or while conducting volunteer work. Gainful employment is determined on a daily basis.

The following expenses may generally be considered eligible:

- The actual care of the dependent in your home.
- Care provided outside your home if the dependent regularly spends at least eight (8) hours a day in your home.

Eligible dependent care expenses generally **do not** include food, schooling, or tuition expenses; however, if these items are included as part of dependent care, if they are incidental, and if they cannot be separated from the total cost, you may be reimbursed for the total cost. The following expenses may be eligible if these criteria are met:

- Incidental household services, such as those provided by a maid, cook, housekeeper, or babysitter **if the services are related to the care of an eligible dependent** as well as to run the home.
- Preschool tuition, if included in the fee being charged for the care.

Some examples of **ineligible** expenses include the following:

- Schooling for a child in kindergarten or above.
- Expenses for sending your child to an overnight camp.
- Babysitter fees while you go to the movies or out to eat.



### Who is a Qualified Dependent?

- A child under age 13 in your custody whom you claim as a dependent on your tax return;
- A spouse who is **incapable of self care; and**
- A dependent who lives with you such as a child over age 13, parent, sibling, or in-law-who is incapable of self-care, and whom you claim as a dependent on your tax return.
- See special rules for children of divorced/separated parents under the final IRS rules for a "[Dependent Child of Divorced or Separated Parents Who Live Apart.](#)" The final rules provide the guidance needed for divorced/separated parents, or parents who live apart, to determine which parent may claim a federal income tax exemption for the couple's child (ren). To determine how these rules may apply to you, be sure to consult your tax advisor.

**Note:** If care for a disabled spouse or dependent is provided outside the home, the dependent must live with you at least eight hours a day.

**Note:** A child can be the qualifying individual of only one parent in one year. Dependent care expenses for the custodial parent may be reimbursable if the child: (1) receives over one-half of his/her support from one or both parents; and (2) is in the custody of one or both parents for more than one-half of the calendar year.

### What Does 'Incapable of Self-Care' Mean?

In general, the following rules apply to qualify a person incapable of self-care:

- The individual is not able to dress, clean, or feed him or herself, or requires constant attention to prevent injury to themselves or others because of physical or mental problems. A Doctor's Statement form explaining the incapacity and the reason the care is required.

**Note:** Simply being unable to work, perform normal household functions, or care for minor children does not mean an individual is incapable of caring for himself or herself.

### Who Qualifies To Provide Dependent Care?

Dependent care can be provided by:

- Any individual **not** claimed as a tax dependent by you or your spouse.
- Your child who is at least 19 years of age by the end of the plan year.
- A child, adult, or elder care center.

**Note:** The care provider must have a Social Security Number, Employer Identification Number (EIN), Individual Taxpayer Identification Number (ITIN) or a Taxpayer Identification Number (TIN).

### Who Qualifies as a Full-Time Student?

In general, the following rules apply to qualify an individual as a full-time student:

- The individual attends school for the number of hours or classes that the school considers full-time for some part of each of five calendar months during the year. (The months need not be consecutive.)

**Note:** The term "school" includes elementary schools, junior and senior high schools, colleges, universities, technical, trade, and mechanical schools. It does not include on-the-job training courses, correspondence schools, or schools offering courses only through the internet.



## DEPENDENT CARE EXPENSE LISTING

The expense chart is divided into three columns, outlined below:

- **Dependent Care Expense Type:**
  - This column defines the specific expenses that are eligible or ineligible.
- **Eligible for Reimbursement:**
  - This column states if the expense is generally reimbursable from the spending account.
- **Special Exceptions or Requirements:**
  - This area provides additional details to ensure your particular expense is eligible or whether the expense is only partially reimbursable.

Dependent Care Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
<b>Activity Fees from Care Provider</b> Field trips Dancing or swimming lessons Art supplies Entertainment Clothing	No	Fees paid to a dependent care center for special activities are <i>not</i> eligible expenses, unless these fees are incidental to, and cannot be separated from, the cost of caring for a dependent.
<b>After-School Programs</b>	Potentially Eligible	After-school programs that are educational in nature (for example, tutoring) are not eligible for reimbursement.
<b>Application Fees, Agency Fees, Deposits</b>	Potentially Eligible	Expenses that relate to but are not directly for the care of a qualifying individual, such as application fees, agency fees (e.g., for Au Pairs), and deposits, may be employment-related expenses if the taxpayer is required to pay the expenses to obtain the related care.  The expense is incurred when the participant is provided with the care that gives rise to the expenses, and not when the participant is formally billed or charged for, or pays for the care. If the fee is paid in advance, it cannot be reimbursed until after dependent care services have been provided.  Note: Forfeited deposits and other payments are not for the care of a qualifying individual if the care is not provided.
<b>Before-School Programs</b>	Potentially Eligible	Before-school programs that are educational in nature (for example, tutoring) are not eligible for reimbursement.
<b>Care Provided at a Provider's Home</b>	Yes	
<b>Care Provided by a Foreign National (Au pair)</b>	Yes	Foreign nationals are eligible day care providers only if they can demonstrate they may lawfully work in the United States and have a Social Security Number, Employer Identification Number (EIN) or an Individual Taxpayer Identification Number (ITIN).  If you are required to pay an agency fee in order to obtain the services of an au pair, the fee may be reimbursed after the au pair has started caring for your eligible dependents. A forfeited fee is not eligible for reimbursement.
<b>Care Provided by a Relative</b>	Yes	The following are <i>not</i> eligible expenses: -Payments made to a dependent for whom you or your spouse claim as a tax exemption, or -Payments made to your child who was under the age of 19 at the end of the year.



Dependent Care Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
<b>Care Provided in Your Home</b>	Yes	
<b>Chauffer or Gardener</b>	No	
<b>Day Camps</b>	Yes	Day camps can include theme-based camps such as soccer camp or computer camp and may be an employment-related expense if incurred for the care of a qualifying individual, which enables the employee to be gainfully employed.
<b>Dependent Care Centers</b> Child day care Adult or elder care facility	Yes	<p>If the center serves seven or more children or adults, the center must comply with all applicable state and local regulations.</p> <p>Indirect expenses (e.g., application fees and deposits) may be employment-related expenses if you are required to pay these amounts in order to obtain care for your eligible dependent. If the amounts you pay are forfeited or if care is not provided, then the expenses are not eligible.</p> <p>If the fee is paid in advance, it cannot be reimbursed until after dependent care services have been provided.</p> <p>For part-time employees, dependent care expenses must be allocated between days worked and days not worked <b>unless</b> you are required to pay the care provider on a weekly or longer basis.</p>
<b>FICA/Social Security Taxes</b>	Yes	The taxes you pay on wages for qualifying child and dependent care services are eligible expenses. For more information on a household employer's responsibilities, please consult with a qualified tax advisor.
<b>Household Services</b>	No	<p>Expenses for household services may be employment-related if the services are provided in connection with the care of a qualifying individual. Services of a housekeeper are household services if part of those services is provided to the qualifying individual.</p> <p>Household services needed for the care and protection of a qualifying individual while you work are also eligible. The services of a housekeeper, maid, or cook are usually considered necessary if performed for the care of the qualifying dependent.</p> <p>Household services do not include expenses for a qualifying dependent's food, clothing, education or entertainment.</p> <p>If part of a housekeeper expense is related to the care of your dependent while you are working, but part is for other purposes, only the part of the expense that is care-related is eligible. However, you do not have to make any adjustment if the non care-related part of the expense is minimal.</p> <p><u>Examples:</u></p> <ol style="list-style-type: none"> <li>1. A housekeeper who cares for your dependent but also spends 30 minutes driving FSA participant to and from work. The extra charge for this would <b>not</b> be eligible.</li> <li>2. You pay a person to provide bookkeeping services in the morning for your spouse's home-based business and then to provide household and dependent care services in the afternoon. Only the portion of the salary paid for household services is eligible, not the portion paid for bookkeeping services.</li> </ol>



Dependent Care Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
<b>Incidental Expenses from Care Provider</b> <ul style="list-style-type: none"> <li>• Diapers</li> <li>• Meals</li> <li>• Clothing</li> <li>• Educational services (below the level of Kindergarten)</li> <li>• Activities</li> </ul>	Potentially Eligible	<p>These expenses must be included as part of the total bill and cannot be separated.</p> <p>Additional fees charged for these expenses are <b>not</b> eligible expenses.</p>
<b>Lodging Provided for a Care Provider, Including Utilities</b>	Yes	<p>Additional rent and utilities incurred for your housekeeper's lodging are eligible expenses if the household services are needed for the well-being and protection of a qualifying individual while you work.</p>
<b>Meals for the Care Provider</b>	Yes	<p>If your care provider eats in your home, add to your work-related expenses the part of your total food cost that was for the housekeeper.</p>
<b>Nursery Schools</b>	Yes	<p>Nursery school fees, including pre-Kindergarten, are eligible expenses even if educational services are provided.</p>
<b>Overnight Camp</b>	No	<p>A pro-rated portion for the 'daytime' care provided by an overnight camp is <b>not</b> an eligible expense.</p>
<b>Overnight Care</b>	Potentially Eligible	<p>Overnight dependent care is eligible if you are required to travel overnight for work-related reasons, and your spouse, if married, is unable to be home with the child. Overnight care may also be an eligible expense when the employee works a night shift.</p>
<b>Payment for Care While Parent is on Vacation</b>	Potentially Eligible	<p>A taxpayer who is gainfully employed and who pays for dependent care expenses on a weekly, monthly, or annual basis is not required to allocate expenses during short, temporary absences from work, such as vacation. Whether an absence is a short, temporary absence is determined based on all the facts and circumstances. The IRS typically establishes two (2) consecutive calendar weeks as the cutoff, but your employer's plan may designate a shorter period.</p>
<b>Payment for Care while Parent is out Sick</b>	Potentially Eligible	<p>A taxpayer who is gainfully employed and who pays for dependent care expenses may be required to allocate the expenses if he/she is not <b>required</b> to pay for care while not at work.</p> <p>Fees paid to a baby sitter or housekeeper who is paid daily or fees paid while a parent recuperates from an extended illness or surgery are <b>not</b> eligible expenses, regardless of doctor's advice. Whether an absence is a short, temporary absence is determined based on all the facts and circumstances. The IRS permits up to two (2) consecutive calendar weeks as the cutoff, but your employer's plan may designate a shorter period.</p>
<b>Transportation</b>	Potentially Eligible	<p>Transportation furnished by a dependent care provider to/from the site where care is provided may be considered eligible. However, transportation provided by anyone other than the care provider is not eligible. Also, if you pay the transportation cost for the care provider to come to your home, that expense is not considered eligible for care of a qualifying person.</p> <p>For example: If the care provider picks up a qualifying child at school and takes them to the dependent care center, the transportation cost may be considered an eligible employment-related expense. Expenses you incur for transportation in your own personal vehicle are not eligible expenses.</p>
<b>Tuition for Kindergarten or Higher</b>	No	<p>Tuition fees for Kindergarten or higher are <b>not</b> eligible expenses. If dependent care is provided as part of the tuition (e.g., before and after school care), only the cost of caring for the child is eligible. A separation must be made between the fees for child care and educational services.</p>



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## SECTION 3: HEALTH REIMBURSEMENT ARRANGEMENTS

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A Health Reimbursement Arrangement (HRA) is a type of spending account that (1) is funded solely by the employer, (2) reimburses individuals for medical care expenses, and (3) provides reimbursements up to a dollar value, which can be carried forward.

The IRS allows an HRA to reimburse eligible §213(d) medical expenses (including OTC items such as insulin, medical equipment and supplies) of an employee, his or her spouse, and qualified dependents. The IRS definition of “qualifying medical care expense” is the same as used for [Healthcare Flexible Spending Accounts](#).

**IMPORTANT:** Employers are not required to allow all expenses be reimbursed from the HRA - they are permitted to design a plan that limits reimbursement to only certain items. **For specific information relating to your plan, check your employer’s plan documents.**



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## SECTION 4: HEALTH SAVINGS ACCOUNTS

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A Health Savings Account (HSA) can be used to pay for qualified medical expenses (as defined by §213(d)) incurred on or after the date of HSA establishment for the account owner, his or her spouse, and qualified dependents. The IRS definition of “qualifying medical care expense” is the same as used for [Healthcare Flexible Spending Accounts](#). For HSAs, employers cannot restrict eligible expense listings – there cannot be any difference between the IRS-allowed expenses and the HSA-allowed expenses.

Medical expenses are qualified only to the extent they are not reimbursed by insurance or otherwise.

**IMPORTANT:** This section is included solely for information purposes. All HSA participants or potential participants are cautioned to seek guidance from a qualified tax advisor.



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## SECTION 5: LIMITED FLEXIBLE SPENDING ACCOUNTS AND LIMITED HEALTH REIMBURSEMENT ARRANGEMENTS

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A Limited Flexible Spending Account (LFSA) or Limited Health Reimbursement Arrangement (LHRA) is a spending account that is created specifically to allow individuals covered under a high deductible health plan (HDHP) to retain eligibility for a Health Savings Account (HSA).

LFSA and LHRA plans fall into one of the following HSA-compatible reimbursement account designs:

1. Limited scope FSA (LFSA) or Limited Scope HRA (LHRA);
  - a. §213(d) **dental** and **vision** expenses only.
  - b. May also include preventive care expenses based on the plan design of the HDHP.
  - c. **Neither** OTC nor prescription medications are allowed to be reimbursed.
2. Post-deductible LFSA or LHRA;
  - a. §213(d) **medical** expenses once the individual has proven (by means of substantiation from an independent third party) that he has met his annual HDHP deductible.
3. Post-retirement LHRA;
4. Suspended HRA; or
5. A combination of the above.

**IMPORTANT: Most employers choose option 1; however, please refer to your employer's plan documentation to determine what specific eligible expenses your employer has chosen.**

Under option #1 above, please refer to Healthcare Flexible Spending Accounts to review those expenses that would be considered 'dental' or 'vision' to identify what expenses may be eligible under the LFSA or LHRA.



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## SECTION 6: COMMUTER SPENDING ACCOUNTS

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With a Commuter Spending Account (CSA), you are able to utilize pre-tax dollars to pay for public transportation and parking expenses that you incur getting to and from work.

**Note:** Only parking and mass transit costs incurred by you in connection with travel between your residence and your work place are eligible.

**Examples of eligible expenses include:**

- Mass transit fares, including tickets, passes, tokens, vouchers or other fares for riding buses, trains, para-transit vans or other mass transportation vehicles;
- Official vanpool fees;
- Parking fees (including parking meters) at or near your work place; and
- Parking fees at a location from which you commute to your work place via mass transportation or a carpool (e.g., park-and-ride lot).

**The following list contains examples of expenses **NOT** eligible for the commuter spending account program:**

- Highway or other roadway tolls;
- Traffic tickets;
- Fuel;
- Mileage or other costs you incur in operating a vehicle;
- Taxis;
- Payments to a fellow participant in a carpool or to a friend who drives you to work;
- Parking at your personal residence;
- Parking at your spouse's place of work;
- Parking at a mall or similar location where you stop on your drive to or from your place of work;
- Costs that have been or will be paid by your employer, such as for a business trip.

All employers must implement reasonable reimbursement and certification procedures to ensure that an amount equal to the commuter reimbursement was incurred. In addition, the expenses must be substantiated within a reasonable period. An expense substantiated within 180 days after it was paid will be treated as having been substantiated within a reasonable period.

**IMPORTANT: Please refer to your employer's plan documentation to determine what specific eligible expenses your employer has chosen.**

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## APPENDIX A: OVER-THE-COUNTER ELIGIBLE EXPENSE GUIDE

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The IRS allows certain over-the-counter (OTC) products to be reimbursed from a healthcare FSA when the OTC item is used for medical purposes. Eligible OTC expenses include insulin and other items including medical equipment, supplies, and diagnostic devices (i.e., eye glasses, crutches, bandages, or blood sugar testing kits). Such items may be reimbursed if they meet the definition of medical care in [§ 213\(d\)\(1\)](#), which includes expenses for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body. As of January 1, 2011, medications and drugs other than insulin are not eligible without a prescription.

Reimbursement for any OTC expense must follow the existing rules regarding healthcare FSAs, with some minor adjustments made to accommodate receipts and appropriate use.

In short, the expense must:

- Be incurred during your period of coverage;
- Be for you or an eligible dependent;
- Not be reimbursed through another plan;
- Be supported by prescription documentation (if a medication or drug) which includes a customer receipt issued by a pharmacy identifying the name of the purchaser (or the name of the person for whom the prescription applies), the date and amount of the purchase, and the Rx number.
  - If your receipt does not include the above information, you will need to have this information documented by the merchant where the purchase was made.
- Be reasonable in quantity (stockpiling is not allowed; the items purchased must be usable before the end of the current plan year)

The OTC products listed in this section are examples, and inclusion of certain name brands does not constitute an endorsement of any particular product by ADP. Please note that this is not an exhaustive listing of reimbursable OTC items.

**Note:** You do not need to purchase national-brand products; you can purchase generic or store-brand products.

OTC medicines can be broken down into three distinct item categories: eligible, dual-purpose, and ineligible. Eligible and ineligible are straightforward in definition; however, certain OTC items are referred to as “dual purpose”, meaning that some individuals may utilize the product to alleviate a medical condition (eligible), while others may use the product for general health and well-being (ineligible). These products are typically reimbursable; however, they will require a [Doctor's Statement Form](#) stating the specific diagnosis or medical condition, an explanation of how the OTC item will be used to treat or alleviate the condition, and the estimated length of time the treatment will be required. The form must also include a statement from the participant that the item would not have been purchased "but for" the recommendation of the provider. If the OTC item is a medicine or drug, the participant must also submit a customer receipt showing the name of the purchaser (or the name of the person for whom the prescription applies), the date and amount of the purchase, and the Rx number.



### ELIGIBLE OTC ITEMS

The following is a sample list of OTC items which are generally considered eligible. If the item is an OTC medicine or drug, the claim form must be accompanied by a filled prescription receipt issued by a pharmacy. Participants utilizing spending account debit cards may still purchase medicines and drugs, providing the following eligibility requirements are met:

- 1) Prior to the purchase, the prescription for the OTC medicine or drug must be presented to the pharmacist;
- 2) The OTC medicine or drug must be dispensed by the pharmacist in accordance with the applicable laws and regulations pertaining to the practice of pharmacy;
- 3) An Rx number must be assigned;
- 4) In accordance with IRS recordkeeping requirements, the pharmacy or vendor must retain a record of the Rx number, the name of the purchaser or the person to whom the prescription applies, the date and amount of the purchase; and
- 5) All of these records must be available to the employer or its agent upon request.

Eligible Type/Class of Drug or Product	Prescription Required	Examples
<b>Allergy Prevention and Treatment</b>	Yes	Actifed ♦ Allerest ♦ Benadryl ♦ Chlor-Trimeton ♦ Claritin ♦ Contac ♦ Nasal crom ♦ Sudafed ♦ Pseudoephedrine ♦ Zyrtec  <i>Note: Saline eye drops used to treat allergy symptoms are eligible without a prescription.</i>
<b>Analgesics/Antipyretics</b>	Yes	Aspirin ♦ Advil ♦ Children's Motrin ♦ Ibuprofen ♦ Motrin ♦ Naprosyn ♦ Tylenol ♦ Tylenol PM ♦ Midol ♦ Pamprin ♦ Premesyn PMS ♦ Acetaminophen
<b>Antacids and Acid Reducers</b>	Yes	Alka-Seltzer ♦ Alka-Seltzer PM ♦ AXID AR ♦ Gas-X ♦ Maalox ♦ Mylanta ♦ Tums ♦ Pepcid AC ♦ Prilosec OTC ♦ Tagamet HB ♦ Zantac 75
<b>Anti-arthritis</b>	Yes	Aleve ♦ Aspercreme ♦ BenGay ♦ Tylenol Arthritis
<b>Antibiotics (topical)</b>	Yes	Bacitracin ♦ Triple Antibiotic Ointment
<b>Anticandidal (yeast)</b>	Yes	Femstat 3 ♦ Gyne-Lotrimin ♦ Mycelex-7 ♦ Monistat 3 ♦ Vagistat-1
<b>Antidiarrheal and Laxatives</b>	Yes	Ex-Lax ♦ Immodium AD ♦ Kaopectate ♦ Pepto-Bismol
<b>Antifungal</b>	Yes	Lamisil AT ♦ Lotramin AF ♦ Micatin
<b>Antihistamines</b>	Yes	Actedril ♦ Actifed ♦ Allerest ♦ Benadryl ♦ Claritin ♦ Chlor-Trimeton ♦ Contac ♦ Drixoral ♦ Sudafed ♦ Tavist-1 ♦ Triaminic
<b>Anti-itch Lotions and Creams</b>	Yes	Bactine ♦ Benadryl ♦ Caldecort ♦ Caladryl ♦ Calamine ♦ Cortaid ♦ Hydrocortisone ♦ Lanacort ♦ Lamisil AT ♦ Lotramin AF
<b>Asthma Medicines</b>	Yes	Bronkaid ♦ Primatene Mist
<b>Cold Sore/Fever Blister</b>	Yes	Abreva Cream

<b>Cold and Flu Remedies</b>	Yes	Actedril ♦ Actifed ♦ Advil Cold and Sinus ♦ Afrin ♦ Alka-Seltzer Cold and Flu ♦ Afrinol ♦ Aleve Cold and Sinus ♦ Children's Advil Cold ♦ Dayquil ♦ Dimetane ♦ Dristan Long Lasting ♦ Drixoral ♦ Neo-Synephrine-12 Hour ♦ Nyquil ♦ Otrivin ♦ Pediacare ♦ Sudafed ♦ Tavist-D ♦ Thera-flu ♦ Triaminic ♦ Tylenol Cold and Flu ♦ Cough drops
<b>Contraceptive Products</b>	No	ClearBlue, Trojan, Magnum and Durex are examples of eligible OTC products. <i>Prescription not required.</i>
<b>Cough Suppressants or Expectorants</b>	Yes	Robitussin ♦ Vicks 44
<b>Decongestants</b>	Yes	Claritin-D ♦ Neo-Synephrine ♦ Sudafed
<b>Dehydration/Rehydration</b>	Yes	Pedialyte
<b>Diaper Rash</b>	Yes	Balmex ♦ Desitin
<b>Eye Drops</b>	Yes	Allergan ♦ Bausch & Lomb ♦ Visine  <i>Note: Eye drops containing saline only do not require a prescription.</i>
<b>First Aid Supplies/ Wound Care</b>	Maybe	<i>Neosporin and other topical treatments containing medicines or drugs require a prescription. Neosporin and other topical treatments which are incidentally included in products such as Band-Aids are eligible without a prescription.</i>
<b>Hemorrhoidal Preparations</b>	Yes	Preparation H ♦ Hemorid ♦ Tronolane
<b>Migraine Relief</b>	Yes	Advil Migraine ♦ Motrin Migraine ♦ Excedrin
<b>Motion Sickness</b>	Yes	Dramamine ♦ Marezine
<b>NSAIDS</b>	Yes	Advil ♦ Aleve ♦ Aspirin ♦ Ibuprofen ♦ Motrin ♦ Naprosyn ♦ Naproxen
<b>Ophthalmic Preparations</b>	Yes	Akwa Tears ♦ Muro 128
<b>Pediculicide</b>	Yes	Nix ♦ Rid
<b>Sinus Products</b>	Maybe	4-Way ♦ Vicks ♦ Allergy Buster <i>Note: Sinus products containing saline only do not require a prescription.</i>
<b>Smoking Cessation</b>	Yes	Commit ♦ Nicoderm CQ ♦ Nicorette ♦ Nicotrol
<b>Sunburn Relief</b>	Yes	Solarcaine ♦ Water Gel ♦ Aloe Vera
<b>Teething/Toothaches</b>	Yes	Orajel
<b>Topical Steroids</b>	Yes	Hydrocortisone
<b>Wart Removal</b>	Yes	Clear Away ♦ Compound W ♦ Wart-Off

Type/Class of Drug or Product	Reimbursable Use	Prescription Required	Doctor's Statement Required	Excluded Use
<b>Acne Products</b>	Chronic acne under treatment by a physician	Yes	Yes	Occasional outbreak or blemish
<b>Dietary/Nutritional/Herbal Supplements</b>	Diagnosis of a specific medical condition	Yes	Yes	Routine use for general health
<b>Feminine Hygiene Products</b>	Post surgery	Maybe (If medicinal in nature)	Yes (Sanitary napkins, pads and tampons)	Routine use for personal hygiene
<b>Fiber Supplements</b>	Diagnosis of a specific medical condition	Yes	Yes	Routine use for general health
<b>First Aid Supplies/ Wound Care</b>	Diagnosis of a specific medical condition	Yes	Yes	Isopropyl alcohol, epsom salts, witch hazel, and non-sterile cotton balls require a prescription and a Doctor's Statement form.
<b>Hair Loss Treatment</b>	Diagnosis of a specific medical condition	Yes	Yes	Treatment for hair loss which occurs as a normal part of aging or inherited or genetic baldness would not be covered.
<b>Heart Monitors</b>	Monitoring a specific condition		Yes	Tracking heart rate during exercise for general purposes
<b>Incontinence Products</b>	Post-surgery or diagnosis of a specific medical condition	Maybe (If medicinal in nature)	Yes (Diapers, pads and protection supplies)	Infants and toddlers
<b>Joint Supplements</b>	Diagnosis of a specific medical condition, such as arthritis	Maybe	Maybe	Routine use for general health  <b>Note: Joint supplements containing Glucosamine or Chondroitin only do not require a prescription or a Doctor's Statement.</b>
<b>Lactose Intolerance Supplements</b>	Diagnosis of a specific medical condition	Yes	Yes	Routine use for general health



**DUAL-PURPOSE OTC ITEMS**

The following is a sample list of dual-purpose OTC items. Reimbursement eligibility will depend upon how the drug is being utilized. A Doctor's Statement form and a statement that the participant would not have purchased the item "but for" the recommendation from the healthcare provider will be required for these items. These items may also require a prescription.

Type/Class of Drug or Product	Reimbursable Use	Prescription Required	Doctor's Statement Required	Excluded Use
<b>OTC Hormone Therapy</b>	Diagnosis of a specific medical condition	Yes	Yes	Routine use for general health
<b>Snoring Cessation Aids</b>	Diagnosis of a specific medical condition, such as sleep apnea	Yes	Yes	Snoring
<b>Sunscreen</b>	Diagnosis of skin cancer or other medical condition	Yes	Yes	Prevention of sunburn
<b>Vitamins and Minerals</b>	Diagnosis of a specific medical condition	Yes	Yes	Routine use for general health.  <i>Note: Pre-natal vitamins do not require a prescription or a Doctor's Statement.</i>
<b>Weight Loss Products</b>	Diagnosis of obesity or other medical condition (such as heart disease)	Yes	Yes	Any weight loss product purchased for purposes of improving one's general health (without obesity or medical condition). Food or beverage products purchased for weight control or reduction are not eligible.



### **EXCLUDED OTC ITEMS**

The following is a sample list of excluded OTC items that are neither medicines nor items that benefit your general health or are personal use items. These items are **not** typically reimbursable under your spending account.

<b>Excluded Type/Class of Drug or Product</b>	<b>Examples</b>
<b>Cosmetic Products</b>	Face soaps ♦ Creams ♦ Makeup ♦ Perfumes ♦ Hair removal
<b>Dental Products</b>	Dental Floss ♦ Toothpaste ♦ Toothbrushes ♦ Teeth whitening kits
<b>Personal Hygiene</b>	Deodorant ♦ Shampoo ♦ Body sprays ♦ Soaps ♦ Moisturizers ♦ Chapstick
<b>Sleeping Aids</b>	Unisom
<b>Special Foods/Diet</b>	Sugar free ♦ Fat free ♦ Diabetic ♦ Weigh loss ♦ Low cholesterol

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### **APPENDIX B: DOCTOR'S STATEMENT FORM**

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Click [here](#) for a printable Doctor's Statement form.