



## **Benefit Year 2019 Eligible Expenses for Flexible Spending Account (FSA)**

Health care expenses must meet the statutory requirements of IRC §213d. Typically, eligible health care expenses are expenses incurred for medical care. Some examples are prescription drug co-pays, office visit co-pays, planned dental work, eyeglasses, or contact lenses.

**Please note that Preferred Administrators cannot provide tax advice. This list is subject to change and is intended only as a general guideline for expenses currently allowed and not allowed. You are responsible for making sure all expenses submitted for reimbursement are eligible.** For more information, refer to IRS Publication 502 at: [www.irs.gov](http://www.irs.gov) or consult your tax advisor.

### ***Important Points to Remember:***

- Eligible expenses must have been incurred for you, your spouse, children, and any other person who is your qualified dependent under the Internal Revenue Code.
- You can only be reimbursed for services incurred from October 1, 2018 through September 30, 2019. You incur expenses when the care is provided, rather than when you are billed or when you pay for the care, with the exception of orthodontia.
- If you enroll mid-year, expenses incurred before your effective date are not eligible.
- Expenses incurred after your participation ends and are not eligible.
- Medical and Pharmacy Co-Pays, Deductibles, and Co-Insurance, are all covered expense under FSA.

If you have any questions regarding your FSA account, please call Preferred Administrators at (915) 532-3778.



## Notice on Over-the-Counter (OTC) Medications

Recent Health Care Reform modified the types of medications that can be reimbursed through health care FSA. OTC medicines will no longer be considered an eligible expense through your Health Care FSA unless prescribed.

**Effective January 1, 2011, only prescribed OTC medications or insulin can be reimbursed through this account.** This means expenses for OTC drugs and medications will be denied unless your doctor writes a prescription for those specific medicines or fills out a Letter of Medical Necessity. Attached, you will find the letter that you can provide to your provider if you require certain OTC medications to treat a condition. This letter will need to include the following information:

- The medicine you (or your family member require)
- The frequency in which it is needed (weekly, monthly, etc.)
- The diagnosis explaining the medical condition
- The recommended treatment and how the treatment will alleviate the diagnosis and symptoms
- The provider's signature and license information

Other OTC medical supplies and products that are not considered medicines or drugs will continue to be covered without a prescription.



Items described as **Not Eligible** will no longer be covered as of January 1, 2011, **unless accompanied by a prescription or Letter of Medical Necessity (LMN) or RX.**

<b>Category/RX or Medical Necessity Letter will need to be accompanied</b>	<b>Example of Category</b>	<b>Not Eligible</b>
Acid Controllers	Pepcid AC, Zantac, Prilosec	Not Eligible
Acne Treatments	AcneFree, Bye Bye Blemish, Clearasil, OXY, Retin A,	Not Eligible
Acupuncture	Pain, Digestive, Stress, Back Pain, Neurological, Respiratory, Injury	Not Eligible
Antifungal (Foot)	Lamisil AT, Lotrimin AF, Micatin	Not Eligible
Allergy & Sinus	Actifed, Alavert, Benadryl, Chlor-Trimeton, Claritin, Sudafed, Zyrtec	Not Eligible
Antibiotics, Topical	Bacitracin, Neosporin, triple antibiotic ointment	Not Eligible
Anti-Diarrheal	Imodium A_D, Kaopectate, Pepto-Bismol	Not Eligible
Anti-Gas	Gas-X, Phazyme	Not Eligible
Anti-Itch & Insect Bite Remedies	Bactine, Caldecort, Cortaid, Hydrocortisone, Lanacort, Calamine lotion, Benadryl cream, Caladryl, Cortaid, Lamisil AT, Lotramin AF, and Micatin	Not Eligible
Antiparasitic Treatments	Nix, Rid, Lice Treatments	Not Eligible
Baby Formula	Formula is Covered if Baby has a Medical Condition	Not Eligible
Baby Rash Ointments & Creams	Destin, Aveeno Baby	Not Eligible
Cold Sore Remedies	Abreva, Herpecin	Not Eligible
Cough Suppressants	Robitussin, Vicks 44, and Chloraseptic	Not Eligible
Decongestant/Nasal Decongestant and Cold Remedies	Advil Cold and Sinus, Afrin, Afrinol, Aleve Cold and Sinus, Children's Advil Cold, Duration, Dristan Long Lasting, Neo-Synephrine-12 Hour, Orrivin, Sudafed, Tavist-D, Tylenol Cold and Flu, Thera-flu, Alka Seltzer Cold and Flu, Nyquil, Actidil syrup and capsules, Actifed, Allerest, Benadryl, and Claritin	Not Eligible
Digestive Aids	Lactaid, Lactase, Beano	Not Eligible
Ear Care	Ear Drops, Ear Water-Drying Aid, Earwax Removal	Not Eligible
Electrolysis or Hair Removal	Due to Medical or Trauma	Not Eligible
Feminine Antifungal and Ant-Itch	Monistat, Gyne-Lotrimin, Vagisil, Soothing Care	Not Eligible
First Aide Burn Remedies	Dermoplast, Solarcaine	Not Eligible
Glucosamine & or Chondoitin	Osteo-Bi-Flex, Sosamin D, Flex-a-min	Not Eligible
Hair Loss Treatment	Keratin Complex, Rogaine, Hair Loss Treatment, Hair Transplant	Not Eligible
Hormone Replacement Therapy	Estrogen replacement therapy, HRT, Menopausal Hormone Therapy	No Eligible
Hemorrhoid Preparations	Preparation H, Tucks	Not Eligible
Laxatives (non-fiber)	Dulcolax, Ex-Lax, Miralax	Not Eligible
Massage Therapy (RX required)	Chiropractic, Craniosacral Therapy, Stress	Not Eligible
Motion Sickness	Dramamine, Sea-band Waistband, Bonine	Not Eligible
Pain Relief (includes aspirin)	Advil, Aleve, Children's Motrin, Nuprin, Exedrin, Tylenol, Bayor, Midol, Pamprin, and Premysyn PMS, Pain Creams	Not Eligible
Respiratory Treatments and Vapor Products	Primatene, Bronkaid, Vicks, Vapor Rub, Sudacare, Breathing Strips	Not Eligible
Sleep Aids & Sedatives	Unisom, Nytol, Sominex	Not Eligible
Skin Treatments	Psoriasis, Dermarec Eczema, Scar Treatments	Not Eligible
Stomach Remedies	Mylanta, Maalox, Tums	Not Eligible
Vitamins	B12, Kids Health Vitamins, Supplements for example Fish Oil, Probiotics, and Mineral Supplements	Not Eligible
Weight Loss Programs for obesity if prescribed by Physician (RX required)	When recommended by a health care professional for preventive care (including obesity and hypertension)	Not Eligible



The following items described as **Eligible** will still be reimbursable without a prescription or Letter of Medical Necessity as of January 1, 2011.

Category/Eligible without RX	Example of Category	Eligible
Ambulance	Medical expense paid for ambulance services	Eligible
Antiseptics & Wound Cleansers	Alcohol, Peroxide, Epsom Salt, Betadine Hibiclens	Eligible
Baby Electrolytes	Pedialyte, Enfalyte	Eligible
Baby Health Essentials	Munchkin The Medicator, Little Nose Saline Spray/Gas/Colic Relief, Be Kool Soft Gel Sheets, Nasal Aspirator	Eligible
Baby Teething Pain	Baby Orajel, Anbesol Baby Oral Gel	Eligible
Breast Reconstruction Surgery following Mastectomy	Breast Surgery due to meeting Medical Necessity after Mastectomy	Eligible
Childbirth Classes	Classes Received for Childbirth	Eligible
Compound Medications	Medications Produced by Medical Professionals To Treat a Medical Condition	Eligible
Copies of Medical Records	Payment of Records are Reimbursable	Eligible
Contraceptives	Condoms, Female Contraceptives, Spermicidal Foam	Eligible
Cord Storage	Fees for Storing Umbilical Cords for Surgery in the near Future	Eligible
Dental Services	Artificial Teeth, Braces, Dental Treatment, Dental Mouth Guard	Eligible
Denture Adhesives, Repair, Pain Relief and Cleansers	Poligrip, Benzodent, Plate Weld, Efferdent, Night Guards	Eligible
Diabetes Testing & Aids	Ascencia, One Touch, Diabetic Tussin, Insulin Syringes; Glucose Products	Eligible
Diagnostic Products	Thermometers, Blood Pressure Monitors, Cholesterol Testing	Eligible
Durable Medical Equipment/ Medical Supplies	Wheelchair & Accessories, Canes, Splints, Athletic Braces and Supports, Nebulizers, Vaporizers, Orthopedic Shoes, Post-Mastectomy Clothing, Arches and Orthotic Inserts, Continuous positive airway pressure (CPAP) device	Eligible
Ear Care	Ear Drops, Syringes, Ear Wax Removal, Debrox, Similasin	Eligible
Elastics/Athletic Treatments	ACE, Futuro, Elastic Bandages, Braces, Hot/Cold Therapy, Orthopedic Supports & Rib Belts, Compression Socks or Hoses	Eligible
Eye Care	Contact Lens Care, Visine, Refresh Tears	Eligible
Family Planning	Pregnancy Kits, Ovulation Kits	Eligible
Feminine Care	Women Protective Underwear, Poise Pads, Maternity Support, Therma Care Menstrual Cramp Relief, Nursing Pads	
Infertility Treatments	All Treatments related to Infertility.	Eligible
Fiber Laxatives	Benefiber, Fibercon, Metamucil (powder or pills)	Eligible
First Aide Dressings & Supplies	Band Aide, 3M Nexcare, J & J First Aid, non-support tapes, etc.	Eligible
Foot Care Treatment	Corn & Callus Treatments, Wart Removers, Medicated, Devis, Therapeutic Insoles	Eligible
Hearing Aide Medical Batteries	Hearing Exams	Eligible
Home Health Care	Ostomy, Walking Aides, Deductitis/Pressure Relief, Enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, wound care, wheel chairs	Eligible
Incontinence Protection & Treatment Products	Attends, Depends, Goodnights for Juvenile Incontinence, Prevail, anti-fungals, Calmoseptine, Pads for Incontinence Protection	Eligible
Oral Remedies or Treatments	Mouth Sore Treatments, Dental Repair, Salivart, Anbesol, Orajel, Dentemp	Eligible
Orthodontia	Braces	Eligible
Prenatal Vitamins	Stuart Prenatal, Nature's Bounty Prenatal Vitamins	Eligible
Practitioners/Facility	Physician and Facility co-pays, deductibles, co-insurance	Eligible



The following items described as **Eligible** will still be reimbursable *without a prescription or Letter of Medical Necessity as of January 1, 2011.*

Category/Eligible without RX	Example of Category	Eligible
Glasses	Reading and Prescribed Sun Glasses, Maintenance Accessories	Eligible
Smoking Deterrents	Nicoderm, Nicorette	Eligible
Sperm Storage	Temporary Storage for Infertility Treatment	Eligible
Sun Screen	Sun Screen	Eligible
Therapy Counseling	Includes Marriage Counseling, Physical, Occupational, and Speech	Eligible
Transportation	Reimbursements for the cost of a rental car, bus, taxi, train, airplane or ambulance transportation services are eligible if the transportation is essential to medical care. Parking fees and tolls may also qualify. The medical care or service must be an eligible medical care expense.	Eligible
Vision	Lasik Surgery, Eye Exams, Contact Lenses, Glasses	Eligible



## Non Reimbursable FSA Expenses

Category
Adoption Fees
Bank Statements
Breast Enhancement
Chapstick
Clothes
Cotton Balls
Cosmetics including Cosmetic Dentistry
Cosmetics procedures not Medically Necessary
Coupons
Dancing Lessons
Deodorants
Face Creams, Moisturizers, Eye Creams, and Wrinkle Reducers
Facial Tissues, Antiviral
Feminine Hygiene products such as tampons and maxi pads
Food items
Hair Removal Treatments and Waxes
Premiums of any kind are not covered
Late Charges
Massage for Relaxation
Mouthwashes, Antiseptics, and Oral Anesthetics
Missed Appointment Charges
Personal Trainers
Savings Club for example, Groupon are not covered
Shaving Cream and Razors
Soap
Swimming Lessons
Tanning Lotions without Sun Protection
Teething Whitening Treatments
Toothpaste and Toothbrushes
Vision Discount Programs
Vitamins Taken to Improve Overall Health
Warranties
Weight Reduction Programs for general well-being



### Letter of Medical Necessity

Under Internal Revenue Services (IRS) rules, some health care services and products are only eligible for reimbursement from your Flexible Spending Account when your doctor or other licensed health care provider certifies that they are medically necessary. Your provider must indicate you (or your spouse's or dependent's) specific diagnosis, the specific treatment needed, and how this treatment will alleviate your medical condition.

Preferred Administrators has developed this letter to assist you and your health care provider in providing the information we need in order to process your claims. Your provider can also submit a statement on his or her letterhead, as long as the letter includes all the information on this form.

By submitting this Letter of Medical Necessity you certify that the expenses you are claiming are a direct result of the medical condition described below, and you would not incur the expenses you are claiming if you were not treating this medical condition.

You only need to submit this submission form once every fiscal year, or your provider's letter containing the same information, with the first claim you submit for the service or product. However, if the treatment extends beyond the time period listed, you must submit a form or physician letter covering the new time period.

Date:	
Patient Name:	
DOB:	SSN:
Diagnosis:	
CPT Code:	
Please describe what the recommended treatment is, how that treatment will alleviate the diagnosis or symptoms, and the duration of the treatment required.	
Sincerely, Provider Signature	Print Name
Provider License# and State	Provider Telephone

If you have any questions please contact us at (915) 298-7198 ext. 1027 or ext. 1073 from 8:00 a.m. until 5:00 p.m. You may fax your claim form to (915) 298-7863.