



Expenses that ARE Covered Under A Health Flexible Spending Account

Medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses for solely cosmetic reasons are not expenses for medical care. Also, expenses that are merely beneficial to one's general health (for example, vacations or gym memberships) are not expenses for medical care.

The following list is a partial list of expenses that are eligible for reimbursement under your medical flexible spending account. For more information, please refer to IRS Publication 502, which can be found at www.irs.gov. Remember, health care expenses are incurred when the services are provided, not when you are billed or pay for the services.

Over-the-Counter Products/Medications

*Acne medication	Gastrointestinal medication
Allergy and sinus medication	Lactose intolerance
Antacids	Laxatives
Anti-diarrhea medication	Lice treatment kits
Aspirin	Monitors and test kits
Asthma medications or treatments	Motion sickness pills and anti-nausea medication
Canker and cold sore medication	Nasal sprays
Chest rubs	*Nasal strips
Cold and flu medication	Nicotine gum and patches (nonprescription)
Condoms and other contraceptive devices	Pain medication
Cough medication, including cough drops, cough syrup, throat lozenges	Prenatal vitamins
Eye drops	Smoking cessation programs
First aid products – ointments, creams, bandages	Sleep aid medication

*doctor's note of medical necessity is required

Medical Expenses

Abortion services

The amount you pay for a legal abortion

Acupuncture services

Must treat a medical condition.

Air conditioner

It must be primarily used by the sick person to treat a medical condition and be detachable from the property. If it is attached to the property (central air), only the amount spent that is more than the value added to the property is deductible. A doctor's note of medical necessity is required.

Air purifier

Must be prescribed by doctor to treat a medical condition (such as severe allergies) – doctor's note of medical necessity is required.

Alcoholism and drug abuse treatment

Amounts you pay for an inpatient treatment, including meals and lodging, at a therapeutic center for alcohol or drug addiction. Also reimbursable are transportation expenses associated with attending meetings of and Alcoholics Anonymous group in the community if attending on a doctor's advice that membership is necessary to treat alcoholism – doctor's note of medical necessity is required.



Ambulance services

Anesthesiologist's fees

Artificial limbs and teeth

Automobile modifications for physically handicapped persons

Birth control pills and devices

Blood pressure monitoring devices

Body scans

Braille books and magazines

Only the cost above the regular printed material.

Breast reconstruction surgery

For reconstruction surgery following a mastectomy for cancer.

Breast reduction

Doctor's note of medical necessity is required.

Breast pumps

Only if there is an underlying medical reason (breast abscess) – doctor's note of medical necessity is required.

Capital expenses for special equipment or improvements in your home if primarily motivated by medical considerations

Only if the main purpose of the equipment or improvement is medical care for you, your spouse, or dependent, and only the amount spent that is greater than the value added to the property is eligible. Doctor's note of medical necessity is required.

Chair based on advice of physician to alleviate a heart, back, or other condition

Doctor's note of medical necessity is required.

Childbirth classes

Classes must relate to labor, delivery, or nursing. Only the mother's portion is eligible.

Chiropractic treatment to treat a specific medical condition

Doctor's note of medical necessity is required.

Christian Science Practitioner's fees

Amounts paid for medical care only.

Coinsurance and copayment amounts

Contact lenses and cleaning solutions

Cosmetic Surgery

If it is necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease. Doctor's note of medical necessity is required.

Counseling

For medical reasons only. Marriage counseling is not an eligible expense.

Crutches – purchase or rental

Deductibles – medical and dental

Dental services other than cosmetic services

Dentures

Diagnostic services

Dyslexia – See Language training

Ear plugs

Only to the extent prescribed by a physician for a specific medical condition (i.e., ear tubes). Doctor's note of medical necessity is required.

Eye examination fees

Eyeglasses and prescription sunglasses

Fees for long-term storage of sperm or embryo

Only to the extent necessary for immediate conception.

Fertility treatment

Includes shots, treatment, surgery or GIFT. In vitro surrogate expense only deductible if the surrogate is a tax dependent. Also includes reverse sterilization procedures.

Flu shots



Fluoridation device

Amount is limited to the cost allocable to the current plan year.

Genetic Testing

Only to the extent it is done to determine possible defects. Doctor's note of medical necessity is required.

Guide dog or other animal

Includes purchase, training, and care of animal used by a visually-impaired or hearing-impaired person, or a person with other physical disabilities.

Health club dues/fees

Adequate substantiation would include a doctor's recommendation that the individual join a health club in order to treat a disease, such as obesity. If the participant belonged to the health club before being diagnosed, then the dues would not be reimbursable.

Once the individual is no longer in need of treatment, these expenses would no longer be reimbursable. Only the portion applying to the diagnosed individual is eligible. Doctor's note of medical necessity is required.

Health institute

Fees paid for treatment at a health institute if the treatment is prescribed by a physician who issues a statement that the treatment is necessary. Doctor's note of medical necessity is required.

Hearing aids/hearing aid batteries

Holistic or natural remedies

Expenses of a state-licensed professional may be eligible, as long as they are legal.

Home exercise equipment purchased on a doctor's recommendation as part of treatment for obesity

Doctor's note of medical necessity is required.

Hospital expenses

Immunizations/vaccinations

Insulin and insulin supplies

Laboratory fees

Language training for a child with dyslexia or a disabled child

Laser correction surgery for eyes

Lead-based paint removal

Cost of removing lead-based paints from surfaces in your home to prevent a child who has or has had lead poisoning from eating the paint. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the scraped area is not eligible. Costs to cover the area with wallboard or paneling (instead of removing the paint) would be considered a capital expense – please refer to that section.

Learning disabilities – tuition payments to special schools

Payments to a special school for a mentally impaired or physically disabled person if the main reason for using the school is its resources for relieving the disability. You can include, for example, the cost of:

- Teaching Braille to a visually impaired child
- Teaching lip reading to a hearing impaired child
- Giving remedial language training to correct a condition caused by a birth defect

The cost of meals, lodging, and ordinary education supplied by a special school can be included only if the main reason for the child's being there is the resources the school has for relieving the mental or physical disability. You cannot include the cost of sending a problem child to a special school for benefits the child may get from the course of study and the disciplinary methods.

Lodging

The cost of lodging at a hospital or similar institution if the main reason for being there is to receive medical care. The cost of lodging not provided in a hospital or similar institution may be eligible if it meets all of the following requirements:

- The lodging is primarily for, and essential to, medical care.
- The medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital.
- The lodging is not lavish or extravagant under the circumstances.



- There is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount cannot be more than \$50 per night, per person. You can include lodging for a person who is traveling with the person receiving the medical care (for example, a parent traveling with a sick child).

Massage therapy

Only to treat an injury or trauma. Doctor's note of medical necessity stating that the individual has a health condition and the massage is being used to treat the condition is required.

Mastectomy-related special bras

Meals

The cost of meals at a hospital or similar institution if the main purpose for being there is to get medical care. You cannot include the cost of meals that are not part of inpatient care.

MedicAlert bracelet or necklace

To the extent prescribed by a physician for the treatment of a medical condition. Doctor's note of medical necessity may be required. See also Medical information plans.

Medical conferences

Amounts paid for admission and transportation to a medical conference if the medical conference concerns the chronic illness of the participant, spouse, or dependent. The costs of the medical conference must be primarily for and necessary to the medical care of the participant, spouse, or dependent. The majority of time at the conference must be spent attending sessions on medical information. The expenses of meals and lodging while attending the conference are not reimbursable.

Medical information plans

To cover the current year's storage costs. These are expenses paid to a plan (like MedicAlert) to keep medical information so that it can be retrieved from a computer data bank for the participant's, spouse's, or dependent's medical care.

Medical monitoring and testing devices

Medical records charges

Medical services

Medicines

Mentally retarded, special home

The cost of keeping a mentally retarded 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. Doctor's note is required.

Mileage

Standard rate is \$0.165 per mile for transportation pertaining to medical care.

Naturopathic expenses

Expenses of a state-licensed professional may be eligible, as long as they are legal.

Norplant insertion or removal

Nursing home

The cost of medical care in a nursing home, home for the aged, or similar institution, for yourself, your spouse, or your dependents. This includes the cost of meals and lodging in the home if a principal reason for being there is to get medical care. If the reason for being in the home is personal, you cannot include the cost of meals and lodging, but you can include the cost for medical or nursing care in these situations.

Nursing services

Amounts spent in wages and other nursing services. Services need not be performed by a nurse so long as the services are of a kind generally performed by a nurse. This includes services connected with caring for the patient's condition, such as giving medication or changing dressings, as well as bathing and grooming the patient. These services can be provided in your home or another care facility. Nursing services for a healthy baby are not eligible.

Nutritionist's professional expenses

So long as treatment relates to a specifically diagnosable medical condition. Supplements are not reimbursable. Doctor's note of medical necessity is required.

Obstetrical expenses

Occlusal guards

To prevent teeth grinding. Doctor's note of medical necessity is required.

**Operations**

For medical reasons, not for cosmetic reasons

Optometrist services**Organ donors – see Transplants****Orthopedics shoes**

Only the cost above the normal cost of the shoes. Doctor's note of medical necessity is required.

Orthodontic services

If care is not for cosmetic purposes. Please contact OutsourceOne at 1-877-491-5979 for specific guidelines.

Osteopath**Over-the-counter (OTC) medication (see list above)****Ovulation monitor****Oxygen**

Oxygen and oxygen equipment to relieve breathing problems caused by a medical condition. Doctor's note of medical necessity may be required.

Physical exams**Physical therapy**

As long as required for a specific medical condition. Doctor's note of medical necessity may be required.

Pregnancy tests**Prescription drugs****Prosthesis****Psychiatric care**

Includes the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care.

Psychoanalysis

Payments for psychoanalysis that is part of required training to be a psychoanalyst are not eligible.

Psychologist fees**Screening tests**

If the tests are used for medical diagnosis (hearing, vision, cholesterol).

Smoking cessation

Amounts paid for participation in a smoking cessation program, along with amounts paid for prescription drugs.

Speech therapy**Sterilization****Transplants**

A donor or possible donor can include surgical, hospital, laboratory, and transportation expenses if paid for by the donor.

Transportation for medical care

Expenses for transportation primarily for, and essential to, medical care. Eligible expenses are:

- Bus, taxi, train, or plane fares, ambulance services, parking fees, and tolls
- Transportation expenses of a parent who must go with a child who needs medical care
- Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone
- Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatments (doctor's note is required)

Weight loss program

Must be undertaken at a physician's direction to treat an existing disease (such as heart disease, obesity, or diabetes). You cannot include the cost of a weight-loss program if the purpose of the weight control is to maintain your general good health. Also, the cost of weight watcher-type dinners and other foods or supplements are not eligible. Doctor's note of medical necessity is required.

Wheelchair

Includes maintenance and repair



Wigs

If prescribed by a physician for the mental health of a patient who has lost all of his or her hair from disease or treatment (i.e., chemotherapy or radiation).

X-Rays

If you have questions regarding a medical service or expense that is not listed on this form, please contact the OutsourceOne Flexible Spending Department:

Local phone:	612-436-2778
Toll-free phone:	877-491-5979
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