



benefit strategies

Health Care Reimbursement Account (HC-FSA)

Under the Flexible Spending Account (FSA) is the Health Care Reimbursement Account (HC-FSA). This program allows you to take money out of your paycheck on a pre-tax basis, which you can use for all of your out of pocket health care expenses. Since the money you choose to put into these accounts is not considered taxable income, you save by paying less Federal, State and FICA taxes. You could save between \$15.65 and \$46.65 on every \$100 you choose to defer into these accounts.

Your employer determines the minimum and maximum amounts that can be contributed to these accounts. Once you conservatively estimate how much money you expect to spend on out-of-pocket health care expenses for the year you divide your total election by the number of pay periods. This amount will show you how much will be deducted from your paycheck each pay period. Since the HC-FSA is a pre-funded account, the full amount of the annual election is available to you starting the first day of the plan and is available at all times during the plan year while you are employed.

Please keep in mind!

-  You can enroll in an HC-FSA even if you are not participating in your Employer's medical plan.
-  Monies in your HC-FSA are available to be used for your legal tax dependents.
-  The full amount of your annual election is available on the first day of the plan!
-  Once an annual election is made you're locked in. Changes can only occur under certain qualifying IRS events
-  You must estimate conservatively, any unused monies are forfeited to your employer.

Election Worksheet

Health Care Expenses Per Plan Year	For You	Spouse	Children
Medical Deductibles	\$	\$	\$
Dental Deductibles	\$	\$	\$
Medical Co-payments	\$	\$	\$
Dental Care / Orthodontia	\$	\$	\$
Prescription Drugs & Co-pays	\$	\$	\$
Medical Supplies	\$	\$	\$
Chiropractic Services	\$	\$	\$
Eye Exams / Lasik Surgery	\$	\$	\$
Eyeglasses, Contact Lenses, Solutions and Supplies	\$	\$	\$
Other Expenses:	\$	\$	\$
Total Expenses:	(A) \$	(B) \$	(C) \$
Total Family Expenses (A+B+C):	(D) \$		
Subtract HRA Eligible Expenses: (Plan will cover medical deductibles up to \$1,000 for those with individual coverage & \$2,000 for those with family coverage*)			
Number of pay periods in plan year:	(E)		
Contribution per pay period (D divided by E):	(F) \$		

*HRA Coverage is designated "per member". The Family coverage level HRA will cover each member up to \$1,000 for a total of up to \$2,000

Acceptable Medical Expenses

Acupuncture	Eye exams & glasses	Laboratory fees	Psychoanalysis and mental health therapy
Chiropractic therapy	Group therapy	Lasik eye surgery	Vision care
Contact lenses	Hearing aids & batteries	Orthodontia	Weight loss programs when specifically recommended by a physician to treat obesity or another medical condition
Co-pays	Hearing care	Orthotics	Wheelchairs
Crutches	Hospitalization costs	Physical exams	
Deductibles	Hypnosis for treatment of an illness	Physical therapy	
Dental care	Immunizations	Physician services	
Diabetic supplies	Individual therapy	Prescription drugs	

Unacceptable Expenses

Aromatherapy	Family therapy
Childrearing classes	Health club dues
Cosmetic surgery	Insurance premiums
Cosmetic dentistry	Marriage counseling
Couples therapy	Teeth bleaching
Custodial nursing care	Weight loss programs that are NOT medically necessary

Acceptable Over-the-Counter Items*

The following OTC expenses will remain eligible after 12/31/2010 without a prescription ~ Debit Card will still work

Athletic treatments	Crutches, canes, walkers	Fertility monitors	Medical monitoring and testing devices
Bandages	Dentures	First aid kits	Orthopedic and surgical supports
Blood pressure monitors	Diabetic monitors and supplies	Hearing aids and batteries	Pregnancy tests
Cholesterol meter test kit and supplies	Eye glasses	Insulin test strips, testing materials and supplies	Urological products
Contact cleaning solutions	Eye related equipment	Medical equipment	Wheelchair and repairs
	Family planning products		

Dual Use Over-the-Counter Items- Only eligible if accompanied with a doctor's prescription*

The following expenses are only eligible if accompanied with a doctor's prescription after 12/31/2010 ~ Debit Card will not work for these items. Participants must submit manually with the doctor's prescription.

Acne treatments	Canker and cold sore treatment	Cough syrup	Laxatives
Allergy & sinus medicine	Chest rubs	Diaper rash ointments and cream	Lice treatments
Antacids and digestive aids	Cold and flu medicine	Ear drops and wax removal	Motion and Nausea medicine
Antibiotic ointment	Corn and callus removers	Gastrointestinal medication	Nicotine patches and gum
Anti-fungal and anti-itch	Cough drops and sore throat lozenges	Glucosamine	Sleep aids
Asprin or other pain relievers		Herbal or homeopathic medicine	Toothache gels
Asthma medicine			Wart removal treatments

Unacceptable Over-the-Counter Items

Baby bottles and cups	Hair re-growth systems
Baby wipes	Low calorie foods
Cosmetics	Moisturizers
Deodorants	Oral care
Feminine care	Petroleum jelly

***Eligible OTC expenses are subject to change as updates and more information becomes available about this IRS regulatory change.** Please also note that under the IIAS system there are a few select items that will not be deemed acceptable when using your FlexExpress© card. Please pay for these items using other means and submit a manual claim to our office for further review. Plan restrictions may apply, check with your plan administrator.