



2016 Eligible Expenses for 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. 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 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, 2015 through September 30, 2016. 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.

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



Notice on Over-the-Counter Medications

Recent Health Care Reform modified the types of medications that can be reimbursed through health care flexible spending accounts. Over-the-counter (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 Medical Necessity Letter. Attached, you will find a Letter of Medical Necessity 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.

FSA Guidelines for Over-the-Counter (OTC) Expenses
Items described as **Not Eligible** will no longer be covered as of January 1, 2011 **unless accompanied by a prescription or Medical Necessity Letter.**

Category	Example of Category RX or Medical Necessity Letter Required	Not Eligible
Acid Controllers	Pepcid AC, Zantac, Prilosec	Not Eligible
Acne Creams	Clearasil, OXY	Not Eligible
Acupuncture	Pain, Digestive, Stress, Back Pain, Neurological, Respiratory, Injury	Not Eligible
Antifungal (Foot)	Lamisil, Lotrimin	Not Eligible
Allergy & Sinus	Alavert, Benadryl, Claritin, Sudafed	Not Eligible
Antibiotic Products	Bacitracin, Neosporin, triple antibiotic ointment	Not Eligible
Anti-Diarrheal	Imodium, Kaopectate	Not Eligible
Anti-Gas	Gas-X, Phazyme	Not Eligible
Anti-Itch & Insect Bite Remedies	Bactine, Caldecort, Cortaid, Hydrocortisone, Lanacort, Calamine lotion, Bendadryl cream, Caladryl, Cortaid, Lamisil AT, Lotramin AF, and Micatin	Not Eligible
Antiparasitic Treatments	Nix, Rid, Lice Treatments	Not Eligible
Baby Rash Ointments & Creams	Destin, Aveeno Baby	Not Eligible
Cold Sore Remedies	Abreva, Herpecin, Orajel	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 Clartin	Not Eligible
Digestive Aids	Lactaid, Lactase, Beano	Not Eligible
Ear Care	Ear Drops, Ear Water-Drying Aid, Earwax Removal	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 Chondroitin	Osteo-Bi-Flex, Sosamin D, Flex-a-min	
Hair Loss Treatment	Keratin Complex, Rogaine	Not 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, Bayer, Midol, Pamprin, and Premysyn PMS	Not Eligible
Respiratory Treatments and Vapor Products	Primatene, Bronkaid, Vicks, Vapor Rub, Sudacare	Not Eligible
Sleep Aids & Sedatives	Unisom, Nytol, Somnex	Not Eligible
Skin Treatments	Psoriasis, Dermarec Eczema	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	When recommended by a health care professional for preventive care (including obesity and hypertension)	Not Eligible



FSA Guidelines for Over-the-Counter (OTC) Expenses

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

Category	Example of Category	Eligibility
Antiseptics & Wound Cleansers	Alcohol, Peroxide, Epsom Salt, Betadine Hibiclens	Eligible
Baby Electrolytes and Dehydration	Pedialyte, Enfalyte	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
Contraceptives	Condoms, Female Contraceptives, Spermicidal Foam	Eligible
Denture Adhesives, Repair, Pain Relief and Cleansers	Poligrip, Benzodent, Plate Weld, Efferdent, Dental Treatment	Eligible
Diabetes Testing & Aids	Ascencia, One Touch, Diabetic Tussin, Insulin Spyringes; Glucose Products	Eligible
Diagnostic Products	Thermometers, Blood Pressure Monitors, Cholesterol Testing	Eligible
Durable Medical Equipment/Supplies	Wheelchair & Accessories, Canes, Splints, Supports & Braces, Nebulizers, Orthopedic Shoes, Post-Mastectomy Clothing, Arches and Orthotic Inserts	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, etc	Eligible
Eye Care	Contact Lens Care, Visine, Refresh Tears	Eligible
Family Planning	Pregnancy Kits, Ovulation Kits	Eligible
Fertility Treatments	All treatments related to fertility	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, Deducbitis/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	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	
Glasses	Reading and Prescribed Sun Glasses, Maintenance Accessories	Eligible
Smoking Deterrents	Nicoderm, Nicorette	Eligible
Sun Screen	Sun Screen	Eligible
Therapy	Counseling to include Marriage Counseling, Physical, Occupational, and Speech,	Eligible
Vision	Lasik Surgery, Eye Exams	Eligible



Non-Reimbursable OTC Items

Category
Breast Enhancement
Chapstick
Cotton Balls
Cosmetics including Cosmetic Dentistry Cosmetics procedures not Medically Necessary
Deodorants
Face Creams, Moisturizers, Eye Creams, and Wrinkle Reducers
Feminine Hygiene products such as tampons and maxi pads
Food items
Hair Removal Treatments and Waxes
Insurance Premiums
Massage for relaxation
Mouthwashes, Antiseptics, and Oral Anesthetics
Personal Trainers
Shaving Cream and Razors
Soap
Teething Whitening Treatments
Toothpaste and Toothbrushes
Vision Discount Programs
Vitamins Taken to Improve Overall Health
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, 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:	
Employee Name:	
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.