








# benefit strategies

## Health Care Reimbursement Account (HCA)

Under the Flexible Spending Account (FSA) is the Health Care Reimbursement Account (HCA). 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 \$22.65 and \$48.65 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 HCA 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 HCA even if you are not participating in your Employer’s medical plan.
-  Monies in your HCA 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:	\$	\$	\$
<b>Total Expenses:</b>	<b>(A) \$</b>	<b>(B) \$</b>	<b>(C) \$</b>
<b>Total Family Expenses (A+B+C):</b>	<b>(D) \$</b>		
<b>Number of pay periods in plan year:</b>	<b>(E)</b>		
<b>Contribution per pay period (D divided by E):</b>	<b>(F) \$</b>		

\*Please refer to the back of this sheet for examples of qualified expenses

## 3 Methods of Reimbursement



### **FlexExpress® Card**

The *FlexExpress*® Card may look like a typical credit card but it is a special benefits card. This card provides you with easy access to your Flexible Spending Account(s) to pay your IRS qualified expenses directly at the point-of-sale. The card will only be accepted at specific healthcare providers such as physician offices, dental offices, pharmacies, hospitals, chiropractors or optometrists. The card will also work at many dependent care locations.

**NOTE:** Your card will be reactivated with your new election each year upon your request, so please keep your card!

#### **What is eligible for reimbursement with the *FlexExpress*® card?**

You are ultimately responsible for the use of your *FlexExpress*® Card. The card is to reimburse only IRS eligible expenses incurred during the plan year. Be careful not to misuse the card for ineligible expenses or for expenses incurred outside of the plan year. If the card is used for any ineligible expenses, you will be required to return the funds to the plan. Misuse may result in the card's permanent revocation.

#### **What needs to be kept for tax records?**

The IRS requires you to keep all documentation for the purchases associated with the debit card. You may be required to verify eligibility of claims by submitting documentation to Benefit Strategies. Documentation must show: the date the expense was incurred, the amount of the expense after insurance adjustments, the service provider, and a description of the service/expense.

#### **What to do if your card is lost or stolen, or to receive additional cards for a spouse or dependent?**

Contact customer service at 1-888-401-FLEX (3539).



### **Online Reimbursement**

The second reimbursement method is to pay for your qualified expenses out-of-pocket and submit a claim by logging into your personal account at [www.benstrat.com](http://www.benstrat.com), Employee, then choose Flexible Spending Account. Once your claims are entered, print the confirmation page and submit this to Benefit Strategies with the appropriate documentation. We will generate payment once the confirmation page and documentation have been received. Not only is our website used to file claims, it also contains important information such as account balances, claim history, banking information as well as a communications history. For help logging into your account, please contact our customer service toll free at 1-888-401-FLEX (3539).



### **Paper Reimbursement**

The third reimbursement method is to pay for your qualified expenses out-of-pocket and submit a completed paper Reimbursement Request Form along with a copy of the detailed documentation of your expenses to Benefit Strategies. Claim forms can be found online at [www.benstrat.com](http://www.benstrat.com).

Benefit Strategies pays paper claims on a weekly basis. Claims that are properly completed, have the appropriate documentation and are received prior to Thursday by 12:00 pm will usually be processed on Monday. Reimbursement requests should be for a minimum of \$25, unless using your remaining account balance.

### Acceptable Medical Expenses

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

### Unacceptable Expenses

Aromatherapy	Family therapy
Childrearing classes	Health club dues
Cosmetic surgery	Insurance premiums
Cosmetic dentistry	Marriage counseling
Couples therapy	Teeth bleaching performed in a dental office
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

Acne medications	Denture adhesives & repair	Elastics/athletic treatments	Home health care (wheelchairs)
Antifungal (foot)	Denture pain relief & cleansers	Eye care	Nasal sprays & inhalers
Antiseptics & wound cleansers	Diabetes testing & aids	First aid burn remedies	Oral remedies/treatments
Baby electrolytes & dehydration alleviation	Diagnostic products (tests)	First aid dressings & supplies	Prenatal vitamins
Baby teething pain	Ear care	Foot care treatment	Reading glasses & maintenance accessories
		Hearing aid/medical batteries	Smoking deterrents

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

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

Acid controllers	Anti-itch & insect bite	Digestive aids	Pain relief
Allergy & sinus	Antiparasitic treatment	Feminine antifungal	Respiratory treatments & vapor products
Antibiotic products	Baby rash ointments & creams	Hemorrhoidal preparations	Sleep aids & sedatives
Anti-diarrheal	Cold sore remedies	Laxatives (non-fiber)	Stomach remedies
Anti-gas	Cough, cold & flu	Massagers	Vitamins
		Motion sickness	

### 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 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.