

Which medical expenses can be paid for with tax-deductible FSA funds?

The following is a partial list of eligible/potentially eligible/ineligible medical expenses. If you have any questions about an item's eligibility, please contact SelectAccountSM customer service at (651) 662-5065 or toll free at 1-800-859-2144.

Eligible medical expenses

Abdominal supports	Drug addiction/substance abuse treatment	Orthopedic inserts
Acupuncture	Eye exams	Oxygen and oxygen equipment
Alcoholism treatment	Eye surgery (laser or radial keratotomy)	Patient responsibilities under the medical, dental or vision plan solely because of the plan's deductible, copay (coinsurance), reasonable and customary charge limit or benefit limit)
Ambulance	Eyeglasses – prescription sunglasses/safety glasses	Physical exams (routine, medical, well-child)
Arch supports	Eyeglasses – reading	Physical therapy
Artificial limbs	Flu shots	Prenatal/postnatal exams
Asthma treatments/nebulizer	Fluoridation treatment at a dental office	Prescription drugs (prescription drugs imported from other countries are not covered)
Bariatric surgery	Gambling problem treatment	Preventive care screenings (e.g., mammogram, colonoscopy)
Blood pressure monitoring devices	Group therapy (for patient)	Prosthesis
Body scans (e.g., MRI, CAT Scan)	Hearing tests and aids	Psychiatric care
Brace (e.g., knee, back, wrist)	Home health care	Shipping and handling fees for eligible expenses
Childbirth/lamaze classes (related to birth)	Hormone replacement therapy (HRT)	Sleep study
Chiropractic treatments (e.g., adjustments)	Immunizations	Smoking cessation medications/programs
Circumcision	Individual counseling (counseling must be performed to alleviate or prevent a physical or mental defect or illness)	Speech therapy
Coinsurance amounts (health, dental or vision)	Lab tests	Taxes paid for eligible expenses
Contact lenses (corrective)	Mastectomy-related special bras	Transportation expenses relative to health care (corresponding medical documentation requested)
Convalescent home (for medical treatment only)	Medical records charges	Vaccinations
Copayments (health, dental or vision)	Mental health treatment facility	Varicose veins, treatment of
C-PAP machine and supplies	Nutritional consultation	Walkers/canes (purchase or rental)
Crutches (purchase or rental)	Occlusal guards to prevent teeth grinding	Wheelchair (purchase or rental)X-rays
Deductibles (health, dental or vision)	Oral contraceptives	X-rays
Dental procedures, non-cosmetic (e.g., X-rays, fillings, extractions, crowns, implants)	Oral surgery	
Dentures	Organ transplant (including donor's expenses)	
Diabetic supplies (e.g., insulin, syringe, monitor, insulin pump)	Orthodontics	

Potentially eligible medical expenses (requires Letter of Medical Necessity from health care provider)

Air conditioner (capital expense)	Genetic testing	Medical conference admission and transportation (excludes meals and lodging)
Air purifier (potential capital expense)	Group therapy (for family member)	Mentally handicapped residential or group home
Athletic club membership	Guide dog/service animal (purchase, care for, training)	Orthopedic shoes
Automobile modifications (capital expense)	Herbal treatment	Personal trainer fees
Behavioral modification programs	Holistic or natural healers consult	Prescription drugs that also have a cosmetic purpose (e.g., Retin-A, Rogaine, Botox, Propecia)
Breast pumps	Home improvements (e.g., exit ramps, widening doorways) (capital expense)	Special education costs for dependents with disabilities
Breast reconstructive surgery	Household products/improvements to treat allergies	Telephone/television equipment for hearing-impaired persons
Breast reduction surgery that is medically necessary	Lactation consultant	Weight loss program and medications (if prescribed by a physician for a specific medical condition – excludes food)
Cosmetic surgery (for repair or reconstruction after accident or surgery or for correction of birth defect)	Lead-based paint removal	Wigs
DNA collection and storage	Learning disability treatment	
Dyslexia testing and instruction	Lodging (away from home for outpatient care – special rules may apply)	
Elevator (capital expense)	Manual therapy	
Exercise equipment or programs	Massage therapy	
Fluoridation device		
Food thickeners		

Ineligible medical expenses

Birthing tubs	Hair transplants	Mouthwash
Bottled water	Household help	New parent/newborn child care classes
Braille books/magazines	Illegal operations and treatments	Non-prescription eyeglasses, sunglasses, safety glasses or contacts
Cleaning service	Illegally obtained drugs	Prepayments
Cosmetic surgery and procedures	Late fees (e.g., for late payment of bills for medical services)	Prescription drug discount program fees
Cosmetics, hygiene products and similar items	Lodging while attending a medical conference	Prescription drugs and medicines imported from other countries
Dancing lessons	Marijuana or other controlled substances in violation of federal law	Special foods/beverages
Diapers or diaper service	Marriage counseling	Sports training and activities
Diet foods	Maternity clothes	Surrogate expenses
Ear or body piercing	Meals	Swimming lessons
Electrolysis or hair removal	Medical newsletter	Swimming pool and maintenance
Feminine hygiene products (e.g., tampons)	Missed appointment fees	Tanning salons and equipment
Funeral, cremation or burial expenses		
Hair colorants		

Eligible medical expense

Medical expenses that can be reimbursed through your FSA include services and supplies incurred by you or your eligible dependents for the diagnosis, treatment or prevention of disease or for the amounts you pay for transportation to get medical care.

In general, deductions allowed for medical expenses on your federal income tax according to Internal Revenue Code Section 213 (d) may be reimbursed through your FSA. You cannot deduct medical expenses on your federal income tax that have been reimbursed through your FSA. It is possible that changes in the IRS rules can affect the eligible, potentially eligible, and/or ineligible expense categories.

Potentially eligible medical expenses

In order to determine eligibility for potentially eligible items, SelectAccount requires a Letter of Medical Necessity from your health care provider. You can obtain a Letter of Medical Necessity to have your health care provider complete at www.selectaccount.com.

Capital expense

A capital expense is an improvement and/or special equipment added to a home or other capital expenditure that may be eligible if the primary purpose is medical care. A Letter of Medical Necessity is required from your health care provider. To submit your capital expense, you must have an appraisal of your home within one year prior to the installation and an appraisal after the installation to determine the value added to the home. The amount eligible is the difference between the cost of the expense and the increase in the additional value of your home. If the improvement/special equipment is used by individuals other than the person needing it for medical care, the eligible amount should be divided by the number of people using the item. Example: A ramp is purchased for \$3,000 and prior to installation your house is appraised at \$100,000. After installation of the ramp your house is appraised for \$101,000. The amount that is eligible under your FSA is \$2,000.

For assistance in calculating capital expense, the Capital Expense Worksheet is available at www.selectaccount.com. If you have questions about a capital expense, please contact customer service for a more detailed explanation.

Expenses eligible for reimbursement from your spending account may or may not be a covered benefit under your Concordia Health Plan. Refer to your Plan documents for more information.

These lists are intended to serve as a quick reference and are provided with the understanding that SelectAccount is not engaged in rendering tax advice. For more detailed information, please refer to IRS Publication 502, "Medical and Dental Expenses," Catalog Number 15002Q. Publications can be ordered from the IRS by calling 1-800-TAX-FORM (1-800-829-3676).