

# Flexible Spending Accounts: What's Eligible?

The IRS defines eligible health care expenses as amounts paid for the diagnosis, cure, mitigation or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental condition or illness. This list is not meant to be all-inclusive.

## Eligible Expenses

### DENTAL SERVICES

Dental X-Rays  
Dentures  
Exams/Teeth Cleaning  
Extractions  
Fillings  
Gum Treatment  
Oral Surgery  
Orthodontia/Braces

### MEDICAL TREATMENTS/PROCEDURES

Acupuncture  
Alcoholism and Drug Addiction (inpatient treatment)  
Hearing Exams  
Hospital Services  
Infertility  
In Vitro Fertilization  
Norplant Insertion or Removal  
Physical Examination (not employment-related)  
Physical Therapy  
Reconstructive Surgery (if medically necessary due to a congenital defect or accident)  
Speech Therapy  
Sterilization  
Transplants (including organ donor)  
Vaccinations/Immunizations  
Vasectomy and Vasectomy Reversal  
Weight Loss Programs (as prescribed by your doctor)  
Well Baby Care

### OBSTETRIC SERVICES

Lamaze Class (child rearing classes excluded)  
Midwife Expenses  
OB/GYN Exams  
OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)  
Pre and Postnatal Treatments

### LAB EXAMS/TESTS

Blood Tests  
X-Rays  
Cardiographs  
Laboratory Fees  
Metabolism Tests  
Urine/Stool Analysis

### VISION SERVICES

Eye Examinations  
Eyeglasses  
Contact Lenses  
Laser Eye Surgeries  
Artificial Eyes  
Prescription Sunglasses  
Radial Keratotomy/LASIK

### MEDICATION

Insulin  
Prescribed Birth Control and Vitamins  
Prescription Drugs

### PRACTITIONERS

Allergist  
Chiropractor  
Christian Science  
Dermatologist  
Homeopath  
Naturopath  
Osteopath  
Physician  
Psychiatrist  
Psychologist

### MEDICAL EQUIPMENT, SUPPLIES and SERVICES

Abdominal/Back Supports  
Ambulance Services  
Arches/Orthopedic Shoes  
Contraceptive, prescribed  
Counseling  
Crutches  
Hearing Devices and Batteries  
Hospital Bed  
Learning Disability (special school/teacher)  
Medic Alert Bracelet or Necklace  
Oxygen Equipment  
Prescribed Medical and Exercise Equipment  
Prosthesis  
Splints/Casts or Support Hose (if medically necessary)  
Syringes  
Transportation Expenses (essential to medical care)  
Tuition Fee at Special School for Disabled Child  
Weight Loss Drugs (to treat specific disease)  
Wheelchair  
Wigs (hair loss due to disease)

## Ineligible Expenses

The IRS does not allow the following expenses to be reimbursed under FSAs and HSAs. This list is not meant to be all-inclusive.

Baby-sitting and Child Care  
Contact Lens or Eyeglass Insurance  
Cosmetic Surgery/Procedures  
Dancing/Exercise/Fitness Programs  
Diaper Service  
Electrolysis  
Personal Trainers or Exercise Equipment  
Hair Loss Medication  
Hair Transplant  
Health Club Dues  
Insurance Premiums and Interest (allowed for HSA)  
Long Term Care Premiums (allowed for HSA)  
Marriage Counseling  
Maternity Clothes  
Vitamins or Nutritional Supplements  
Swimming Lessons  
Teeth Whitening/Bleaching  
Over the Counter Medications (see reverse)

## Dependent Care Assistance Program (DCAP)

Under DCAP, the IRS allows eligible employees to pay for qualified daycare expenses on a tax favored basis. The participant and spouse must be gainfully employed, seeking gainful employment, or in school for the following expenses to qualify under the plan.

The following is a sample list of eligible and ineligible expenses.

### ELIGIBLE EXPENSES

After-school care or extended day programs  
Amounts paid to babysitter inside or outside participant's home  
Pre-kindergarten/nursery school etc.  
FICA or FUTA taxes of day care provider  
Nanny and Au Pair expenses (Agency fee)  
Application Fee (after service begins)  
Expenses paid to relative (e.g., parent or grandparent of participant for child care)  
Sick-child center  
Summer day camps  
Adult day care

### INELIGIBLE EXPENSES

Educational expenses—kindergarten, first grade and above  
Overnight camp expenses  
Housekeeping expenses not related to dependent day care  
Sick employee (that is, care for a dependent while the sick employee stays home)  
Transportation expenses  
College tuition  
Diaper service  
Tuition fees and deposits  
Residential nursing homes  
Piano, dancing, art, ballet lessons.etc.  
Activity fees  
Health care expenses for a dependent

Section 213d governs the eligible expenses for HSA, FSA and DCAP plans. Publications 502 and 503 are written to help taxpayers determine what qualified expenses can be deducted on their income tax returns FSAs and DCAP, respectively. They should not be used as the sole determinant for what is reimbursable under these plans.



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# Over-The-Counter (OTC) Items

## Effective January 1, 2011

### Eligible OTC Medical Supplies: Itemized receipt with claim request

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Adult incontinence products (e.g. Depends)  
Birth control products (e.g. prophylactics)  
Contact lens solutions  
Denture adhesives  
Ear supplies (e.g. ear plugs)  
First aid supplies (e.g. band-aids)  
Health monitors (e.g. blood pressure, cholesterol, HIV, thermometers)  
Hearing aid batteries  
Heat wraps (e.g. ThermaCare)  
Heating pads, hot water bottles  
Insulin & diabetic supplies  
Medicine dropper/spoon  
Motion sickness devices  
Supports/braces (e.g. ankle, knee, wrist, therapeutic glove)

**Please note that this is not a complete list, but is intended to provide Plan participants with examples of OTC items that may be eligible.**

### OTC Drugs and Medicines Requiring a Prescription

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Acne medications  
Allergy & sinus medications (Benadryl, Claritin, Sudafed)  
Anti-fungal medications (Lotramin AF)  
Anti-itch medications (Caladryl, Cortizone)  
Cold sore medications  
Cough, cold & flu medications  
Decongestants  
Diaper rash ointments  
Gastrointestinal aids (antacids, anti-diarrhea medicines, laxatives – non-fiber, nausea medications)  
Lactose intolerance pills  
Nasal sprays for congestion (e.g. Afrin)  
Pain relievers (e.g. aspirin, Excedrin, Tylenol, Advil, Motrin)  
Pre-natal vitamins  
Sleeping aids  
Suppositories  
Toothache relievers (e.g. Orajel)  
Topical ointments for gingivitis  
Wart remover medications  
Yeast infection creams (e.g. Monistat)

### Dual-Purpose Items: Itemized receipt and Certification of Medical Necessity form required with claim request

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Calcium supplements  
Fiber supplements  
Foot insoles  
Herbal medicines  
Homeopathic remedies  
Hormone therapy  
Joint supplements  
Nasal strips & snore relief (e.g. Breathe Right)  
Vaporizers/humidifiers  
Vitamins/minerals/supplements

### Ineligible OTC Items: Do not submit for reimbursement

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Baby diapers  
Cosmetics  
Deodorants  
Face creams  
Feminine hygiene products  
Hair removal products  
Insect repellants  
Lip balms (e.g. Chapstick, Blistex)  
Lotions/moisteners  
Mouthwashes  
Shampoos  
Soaps  
Sport energy liquids, bars, etc.  
Stay awake aids (e.g. No Doz)  
Suntan lotions  
Teeth whitening products  
Toiletries  
Toothpaste  
Tooth brush  
Wrinkle reducers

**Please note that this is not a complete list, but is intended to provide Plan participants with examples of OTC items that may be eligible.**

**To be reimbursed for these expenses, a completed claim form must be submitted to UAS along with one of the following:**

- A customer receipt identifying the name of the person for whom the prescription applies, the date and amount of the purchase, and an Rx number; or
- A customer receipt that reflects the date and the amount of the purchase, along with a copy of the prescription.



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