**Know Your FSA/HRA Eligible & Ineligible Expenses!**

**Use Your Health Care FSA or HRA Wisely**
The Flexible Spending Account (FSA) is part of your Cafeteria Plan which is an IRS sanctioned benefit that allows you to use pretax dollars to cover eligible expenses. A Health Reimbursement Arrangement (HRA) is an employer program that reimburses employees for certain eligible expenses on a nontaxable basis. 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 defect or illness.

Take a look at the following lists for a better understanding of what is and isn’t eligible. Other expenses not specifically mentioned may also qualify (for additional information, please contact Bern & Pugh, Inc.).

### Eligible Expenses

#### BABY/CHILD TO AGE 13
- Lactation Consultant*
- Lead-Based Paint Removal
- Special Formula*
- Tuition: Special School/Teacher for Disability or Learning Disability*
- Well Baby Care

#### DENTAL
- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Gum Treatment
- Oral Surgery
- Orthodontia and Braces
- Periodontal Services

#### EYES
- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy/LASIK

#### HEARING
- Hearing Devices and Batteries
- Hearing Examinations

#### LAB EXAMS/TESTS
- Blood Tests and Metabolism Tests
- Body Scans
- Cardiographs
- Laboratory Fees
- Urine and Stool Analyses
- X-Rays

#### MEDICAL EQUIPMENT/SUPPLIES
- Abdominal and Back Supports*
- Air Purification Equipment*
- Arch and Orthopedic Shoes
- Contraceptive Devices
- Crutches and Wheel Chairs
- Exercise Equipment*
- Hospital Beds
- Mattresses*
- Medic Alert Bracelet or Necklace
- Oxygen*
- Post-Mastectomy Clothing
- Prosthesis
- Splints/Casts or Support Hose*
- Syringes
- Wigs*

#### MEDICAL PROCEDURES/SERVICES
- Acupuncture
- Alcohol and Drug Addiction (inpatient and outpatient treatment)
- Ambulance
- Hospital Services
- Infertility Treatment
- In Vitro Fertilization
- Norplant Insertion or Removal
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect or accident)
- Service Animals*
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation*
- Vaccinations and Immunizations

#### MEDICATION
- Birth Control
- Homeopathic Medications*
- Insulin
- Prescription Drugs
- Weight Loss Drugs*

#### OBSTETRICS
- Lamaze Class
- Midwife Expenses
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)
- Pre- and Postnatal Treatments

#### PRACTITIONERS
- Allergist
- Chiropractor
- Christian Science Practitioner
- Dermatologist
- Homeopath or Naturopath*
- Osteopath
- Physician
- Psychiatrist or Psychologist

#### THERAPY
- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise*
- Hypnosis
- Massage*
- Occupational
- Physical
- Speech
- Weight Loss Programs*

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**Note:** This list is not meant to be all-inclusive. Also, expenses marked with an asterisk (*) are “potentially eligible expenses” that require a Note of Medical Necessity from your health care provider to qualify for reimbursement.
Please Note: The IRS does not allow Over-the-Counter (OTC) medicines or drugs to be purchased with Health Care FSA or HRA funds unless accompanied by a prescription and the prescription is filled by a pharmacist.

**InEligible Over-the-Counter Expenses** *(unless prescribed in accordance with State Laws)*

<table>
<thead>
<tr>
<th>Acid controllers</th>
<th>Cough, cold &amp; flu</th>
<th>Medicated nasal sprays, drops, &amp; inhalers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acne medications</td>
<td>Denture pain relief</td>
<td>Medications respiratory treatments &amp; vapor products</td>
</tr>
<tr>
<td>Allergy &amp; sinus</td>
<td>Digestive aids</td>
<td>Motion sickness</td>
</tr>
<tr>
<td>Antibiotic products</td>
<td>Ear care</td>
<td>Oral remedies or treatments</td>
</tr>
<tr>
<td>Antifungal (Foot)</td>
<td>Eye care</td>
<td>Pain relief (includes aspirin)</td>
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<tr>
<td>Antiparasitic treatments</td>
<td>Feminine antifungal &amp; anti-itch</td>
<td>Skin treatments</td>
</tr>
<tr>
<td>Antiseptics &amp; wound cleansers</td>
<td>Fiber laxatives (bulk forming)</td>
<td>Sleep aids &amp; sedatives</td>
</tr>
<tr>
<td>Anti-diarrheals</td>
<td>First aid burn remedies</td>
<td>Smoking deterrents</td>
</tr>
<tr>
<td>Anti-gas</td>
<td>Foot care treatment</td>
<td>Stomach remedies</td>
</tr>
<tr>
<td>Anti-itch &amp; insect bite</td>
<td>Hemorrhoidal preps</td>
<td>Unmedicated nasal sprays, drops &amp; inhalers</td>
</tr>
<tr>
<td>Baby rash ointments &amp; creams</td>
<td>Homeopathic remedies</td>
<td>Unmedicated vapor products</td>
</tr>
<tr>
<td>Baby teething pain</td>
<td>Incontinence protection &amp; treatment products</td>
<td></td>
</tr>
<tr>
<td>Cold sore remedies</td>
<td>Laxatives (non-fiber)</td>
<td></td>
</tr>
<tr>
<td>Contraceptives</td>
<td>OTC items that are not medicines or drugs remain eligible for purchase with FSAs and HRAs.</td>
<td></td>
</tr>
</tbody>
</table>

**Eligible Over-the-Counter Items** *(Product categories are listed in bold face; common examples are listed in regular face.)*

| Baby Electrolytes and Dehydration | Elastics/Athletic Treatments | Hearing Aid/Medical Batteries |
| Pedialyte, Enfalyte | ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts | Home Health Care (limited segments) |
| Contraceptives | Eye Care | Ostomy, walking aids, decubitis pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints & casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheelchairs |
| Unmedicated condoms | Family Planning | Incontinence Products |
| Denture Adhesives, Repair, and Cleansers | Pregnancy and ovulation kits | Attends, Depend, GoodNites for juvenile incontinence, Prevail |
| Poligrip, Benzodent, Plate Weld, Efferdent | First Aid Dressings and Supplies | Prenatal Vitamins |
| Diabetes Testing and Aids | Band Aid, 3M Nexcare, non-sport tapes | Stuart Prenatal, Nature’s Bounty Prenatal Vitamins |
| Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products | Foot Care Treatment | Reading Glasses and Maintenance Accessories |
| Diagnostic Products | Unmedicated com and callus treatments (e.g., callus cushions), devices, therapeutic insoles | |
| Thermometers; blood pressure monitors, cholesterol testing | Glucosamine & or Chondroitin | |
| Ear Care | Osteo-Bi-Flex, Cosamin D, Flex-a-min Nutritional Supplements | |
| Unmedicated ear drops, syringes, ear wax removal | |

**Ineligible Expenses**

The IRS does not allow the following expenses to be reimbursed under a Health Flexible Spending Account or HRA, as they are not prescribed by a physician for a specific ailment.

<table>
<thead>
<tr>
<th>Child Care** (See Below)</th>
<th>Exercise Equipment or Personal Trainers</th>
<th>Maternity Clothes</th>
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</thead>
<tbody>
<tr>
<td>Insurance Premiums** (See Below)</td>
<td>Hair Loss Medication</td>
<td>Sunscreen</td>
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<tr>
<td>Cosmetic Surgery/Procedures</td>
<td>Hair Transplant</td>
<td>Swimming Lessons</td>
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<tr>
<td>Dancing/Exercise/Fitness Programs*</td>
<td>Health Club Dues*</td>
<td>Teeth Bleaching or Whitening</td>
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<tr>
<td>Diaper Service</td>
<td>Long-Term Care Premiums</td>
<td>Vitamins or Nutritional Supplements*</td>
</tr>
<tr>
<td>Electrolysis</td>
<td>Marriage Counseling</td>
<td></td>
</tr>
</tbody>
</table>

Note: This list is not meant to be all-inclusive. Also, expenses marked with an asterisk (*) are “potentially eligible expenses” that require a Note of Medical Necessity from your healthcare provider to qualify for reimbursement. **Child Care expenses could run through a Dependent Care Assistance Program (DCAP) if allowed in your full flex plan. Insurance Premiums could run through the Premium Program, if allowed in your full flex plan.

For additional information, please contact your human resources department or Bern & Pugh, Inc. at 406-727-4969.