

# HELPFUL CLAIM FILING HINTS

At Benefits Design Group, Inc., we strive to achieve an optimum claim turn-around time. However, some types of claims require additional information be submitted with the claim itself. All claims must contain the original signature of the person named on the account. Claims not signed or signed by a spouse will be returned for the correct signature.

## **Unreimbursed Medical**

For medically necessary expenses **requiring a physician's letter**, the letter must specifically state the medical condition(s) that are being treated. **An updated letter will be required at the beginning of each plan year.** With proper documentation, here are some examples of items that can be eligible for reimbursement.

**Health Savings Accounts** – To be considered a qualified individual for HSA participation, the eligible individual cannot be covered by another high deductible health plan (i.e. general purpose Unreimbursed Medical Account) except for permitted coverage (i.e. dental, vision, and preventative care or health expenses in excess of the deductible) under the Code. **IRS Notice 2004-23** clarifies the term "preventative care" as it applies to Code Section 223. The notice indicates that "preventative care" includes, but is not limited to: periodic health evaluations (including tests and diagnostic procedures ordered in correlation with the evaluation); well-baby and/or well-child care; immunizations for adults and children; tobacco cessation and obesity weight loss programs; and screening devices for cancer, heart disease, and other infectious diseases (list provided as part of IRS Notice 2003-23). Note: By plan definition of eligible medical expense, your participation in the Unreimbursed Medical Account may disqualify you or your spouse from making contributions to a Health Savings Account. Please check your specific plan design if you have or are considering making contributions to a Health Savings Account.

**Orthodontic Treatment** – Medically necessary orthodontic treatments are eligible for reimbursement with the submission of a copy of the orthodontic contract. The participant may submit claims for reimbursement in accordance with the payment schedule listed in their contract. Any down payments and required monthly payments within the plan year dates are eligible for reimbursement.

**Massage Therapy\*** – Massage therapy is eligible for reimbursement only if it is treating specific medical conditions, **NOT** general stress reasons.

**Health Club Memberships\*** - Only the membership costs for the individual requiring treatment (i.e. physical therapy, cardiac rehab, high blood pressure, etc.) are eligible.

**Exercise Programs, Weight Loss Programs/Prescriptions\*** – There must be a contributing health factor, such as high blood pressure, heart disease, etc. Overall health or cosmetic reasons are **NOT** acceptable.

**Medical Supply Items** – These will include items such as wheelchairs, vaporizers, and specialty mattresses/bedding, etc. Some items may require a doctor's letter to determine the medical need\*.

**Capital Expenses** - You may also include expenses related to installing special equipment (i.e. central air, entrance ramps, etc.) in your home or modifying (i.e. widening doorways, lowering kitchen cabinets, etc.) your home if the main purpose is to provide or assist in providing medical care. However, only reasonable costs to accommodate a home are considered medical care. Additional costs for personal motives, such as architectural or aesthetic reasons are **NOT** eligible for reimbursement. For claim filing purposes, an appraisal is necessary to determine the increased value of the asset. Only the increased value of the asset is an eligible expense, not the purchase price.

Also amounts paid for the operation and upkeep of a capital asset are eligible, as long as the main reason for them is to assist in providing medical care (i.e. pool chemicals, van lift maintenance, vet bills for seeing-eye dogs, etc.). These are still eligible for reimbursement even if none or only a portion of the original cost of the capital asset qualified as an eligible medical expense.

For questions regarding the eligibility of specific capital expenditures and determining the amount eligible for reimbursement, please call our office or refer to IRS Publication 502.

**\*\*\*Please note that medical treatments for stress, general health/well being, or cosmetic reasons are NOT eligible.** The reverse side lists items that may **NOT** eligible for reimbursement:

**Vitamins & Herbal Supplements** –In order to be eligible for reimbursement, any vitamin or herbal supplement must be prescribed by a physician to treat a specific current medical condition or illness. A doctor’s letter will be required and must be **updated once per plan year\***. Vitamins that are taken or recommended for general health reason are not eligible for reimbursement.

**Over-the-Counter Items** – Non-prescription medications such as smoking cessation aids, cough & cold remedies, aspirin, allergy medicines, etc. are eligible for reimbursement based upon the IRS Revenue Ruling of September 2003. Please submit itemized cash register receipts as proof of purchase and write the name of the dependent on the receipt as record of whom the item was for. You will not be required to submit a doctor’s letter\* for most items, nor will you be required to prove illness at the time of purchase. Dual purpose items like weight loss drugs, vitamins and acne treatments may require a doctor’s letter\* to verify that in fact the purchase is for a medical treatment. In addition, a reasonable quantity is allowable and items purchased in quantities of 5 or more will be scrutinized and may be denied. Stockpiling to avoid forfeitures is not permissible, as the quantity purchased should be for use within the current plan year. Contact lens solutions remain to be eligible for reimbursement, as they are used to “maintain equipment to correct vision.”

**Hygiene Items**- Items purchased over-the-counter without a medical purpose will not be considered eligible. Toothpaste, mouthwash, feminine hygiene products, Kleenex, etc. are examples of expenses that are NOT eligible.

**Cosmetic Procedures/Prescriptions** – Any procedure or prescription that is **not medically necessary**, such as teeth bleaching, hair loss drugs (unless for alopecia), and certain dermatological procedures.

**\*Letters submitted are required to be updated at the start of each Plan Year. We encourage you to submit your letter with your renewal form or first claim in the new Plan Year to ensure that your reimbursement will be processed without delay**

## **Dependent Care**

Dependent Care receipts should only reflect the expenses necessary for the health and well being of the dependent during the hours the employee and spouse (if applicable) are employed. For example, separate charges for meals, field trips and late payments are **NOT** eligible for reimbursement.

In cases of divorce, only the custodial parent may utilize a dependent care account.

Overnight camp even if fees are separate for the overnight portion is **NOT** eligible

Kindergarten tuition is **NOT** eligible as its primary purpose is educational.

## **Individual Premium**

If an employee is electing participation in the Individual Premium portion of their Section 125 Plan, a copy of the “declaration” page of the policy must be submitted each plan year. A copy of a billing statement, or, if the premium is automatically deducted from a bank account, a copy of the employee’s bank statement must be sent in with each reimbursement request.

Only those health or health related premiums that are owned by the employee, not a spouse, are eligible for reimbursement under the Individual Premium category.

Contact Lens agreements and Medical Discount Cards are only eligible for reimbursement under the Individual Premium category, **NOT** the Unreimbursed Medical category.

COBRA premiums or premiums through a pension plan from a previous employer are **NOT** eligible.

Life insurance premiums are **NOT** eligible.