



SPENDING ACCOUNT ELIGIBLE EXPENSE GUIDE

HEALTHCARE FLEXIBLE SPENDING ACCOUNTS
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS
HEALTH REIMBURSEMENT ARRANGEMENTS
HEALTH SAVINGS ACCOUNTS
LIMITED FLEXIBLE SPENDING ACCOUNTS AND
LIMITED HEALTH REIMBURSEMENT ARRANGEMENTS
COMMUTER SPENDING ACCOUNTS

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OVERVIEW

This guide provides participants with a detailed listing of general healthcare and dependent care expenses allowed by the Internal Revenue Service (IRS) for reimbursement under certain spending account plans. Please note that (1) this list is not exhaustive, (2) this list is subject to change at any time, (3) your employer's plan may differ from what is noted in this document, and (4) this document has not been approved by the IRS, and is reflective of SHPS' understanding of the requirements for eligible expenses.

Always check your employer's summary plan description (SPD) or plan document for specifics regarding eligible expenses under your spending account plan(s). Your employer's plan document has final authority regarding all aspects of plan design, including what constitutes a reimbursable expense. If any conflict arises between this guide and your employer's SPD or plan document, the terms of your employer's documents will apply.

If you have consulted your employer's plan documentation and still have questions regarding eligible expenses after reading this guide, please call the customer service number provided to you by your employer to speak to a customer service representative.

HOW TO USE THIS GUIDE

This guide is divided into five sections as noted below, each representing a unique type of spending account:

- [Section 1: Healthcare Flexible Spending Accounts](#)
- [Section 2: Dependent Care Flexible Spending Accounts](#)
- [Section 3: Health Reimbursement Arrangement](#)
- [Section 4: Health Savings Accounts](#)
- [Section 5: Limited Flexible Spending Accounts and Limited Health Reimbursement Arrangements](#)
- [Section 6: Commuter Spending Account](#)

Click on any of the above links to take you directly to the referenced section. Each segment contains detailed information regarding what expenses are typically eligible under each plan.

SECTION 1: HEALTHCARE FLEXIBLE SPENDING ACCOUNTS (FSA)

The IRS allows a Healthcare FSA to reimburse eligible §213(d) medical expenses (including certain over-the-counter or “OTC” items) of an employee, the employee’s spouse, and the employee’s dependent children. In general, reimbursable expenses are those that result from the diagnosis, care, mitigation, treatment, or prevention of disease or illness affecting any part or function of the body. Expenses recommended for the bettering of an individual’s general health or well-being (e.g., vitamins or fitness club memberships) are generally not eligible for reimbursement.

Only you, your spouse, children, or other person who is a qualified dependent as defined by the IRS is able to incur an eligible expense. **Remember, your employer’s plan may differ from this guide. For specific information relating to your plan, check your employer’s plan documents.**

ELIGIBLE HEALTHCARE EXPENSES

To be considered for reimbursement, all eligible expenses must be incurred¹ during your company’s plan year, while you are participating in your company’s plan and prior to your termination in the plan.

Who is a Qualified Dependent?

- A child under the age of 19 who is not a full-time student, or up to the age of 24, if a full-time student.
- An individual who lives with you—such as a parent, sibling, or in-law for whom you provide more than one-half of the individual’s support.
- A child over the age of 19 who is permanently disabled.

HEALTHCARE EXPENSE LISTING

The expense chart is divided into three columns, outlined below:

- **Healthcare Expense Type:**
 - This column defines the specific expense that is eligible, potentially eligible, or ineligible. Expenses are displayed alphabetically.
- **Eligible for Reimbursement:**
 - This column states if the expense is generally reimbursable from the spending account.

Note: For many expense types, there are certain exceptions or requirements. It is important that you read the special exceptions or requirement related to the expense (see below).

- **Special Exceptions or Requirements:**
 - This column provides additional details to ensure your particular expense is eligible – this area will indicate whether an expense requires a letter of medical necessity and/or whether the expense is only partially reimbursable.

¹ Please check your plan document language for a definition of the word “incurred.”

- Letter of Medical Necessity Required: These expenses will require a doctor’s statement indicating the specific medical disorder, the specific treatment needed, and how the treatment will alleviate the medical condition. Please see Appendix B for a sample Letter of Medical Necessity, which will need to be submitted along with your claim form to be considered for reimbursement.
- Partial Reimbursement Only: These expenses are only partially eligible, meaning that only the portion of the cost that exceeds the price of a ‘regular’ item of the same type is allowable for reimbursement.

Example: Your doctor recommends a special furnace filter that traps allergens and costs \$12 more than a regular filter. You will only be able to claim the \$12 cost difference.

Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
A		
AA, Alcoholism, Drug, or Substance Abuse Treatments	Yes	Payment to a treatment center for alcohol or substance abuse is an eligible medical expense. This includes meals and lodging provided by the center during inpatient medical treatment.
Abortion	Yes	Check your employer’s specific FSA plan to make sure this expense is covered.
Acne Treatment	Maybe	Acne treatments are eligible when prescribed by a doctor. Letter of Medical Necessity Required
Acupuncture	Yes	
Adoption Fees	No	You may submit healthcare expenses for an adopted child once they become your qualified dependent, including healthcare expenses incurred during the adoption process, such as physical examinations.
Air Conditioner, Purifier or Humidifier (for allergy relief)	Yes	Partial Reimbursement Only Letter of Medical Necessity Required If installing a permanent fixture in your house, this is considered a Capital Modification .
Allergy Relief <ul style="list-style-type: none"> • Prescription and over-the-counter allergy medicines • Allergy shots 	Yes	
Allergy Relief <ul style="list-style-type: none"> • Electro-static air purifier • Humidifier • Home/auto air conditioners • Air filters • Special vacuum cleaners • Special pillows, mattress covers, etc. to alleviate an allergic condition • Removal of flooring* 	Yes	Partial Reimbursement Only Letter of Medical Necessity Required If installing a permanent fixture in your house, this is considered a Capital Modification . *The replacement of flooring is not an eligible expense, only the removal may be eligible; however, final determination will be made based upon the documentation received.
Ambulance Service	Yes	
Artificial Limb (prosthesis) or Teeth (dentures)	Yes	
Artificial Insemination <ul style="list-style-type: none"> • Fertility exams • Embryo replacement and storage • Egg donor: recipient’s medical expenses (recipient must be FSA participant or participant’s dependent and the charges are covered by a medical plan) 	Yes	

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
<ul style="list-style-type: none"> In-vitro fertilization Sperm bank/semen storage for artificial insemination Sperm implants due to sterility Sperm washing See also "Fertility Treatments" 		
Audio Books <ul style="list-style-type: none"> Books on tape Books on CD Books online or other digital formats 	Yes	Partial Reimbursement Only
Automobile <ul style="list-style-type: none"> Installing equipment such as hand controls, lifts or ramps Special-design vehicles 	Yes	<p>Modification: The cost of installing hand controls and other special equipment installed in an automobile for the use of a disabled person is an eligible medical expense.</p> <p>Special-design vehicle: Partial Reimbursement Only Only the difference in cost between a regular vehicle and one specifically designed to hold a wheelchair or other medical equipment is an eligible medical expense.</p> <p>Operating cost: The cost of operating a specially equipped vehicle, except as discussed under Transportation, is NOT an eligible expense.</p>
B		
Baby Formula	Maybe	Baby formula may be eligible only if a specific medical condition is being treated. Partial Reimbursement Only Letter of Medical Necessity Required
Birth Control / Family Planning <ul style="list-style-type: none"> Norplant or Depo-Provera Ovulation kits Condoms Spermicides Birth control pills, patches or rings Diaphragm or IUD Tubal ligation Vasectomy <p>The birth control list is not exhaustive.</p>	Yes	
Blood Storage	Maybe	Fees for storing blood for surgery in the near future are an eligible medical expense. Fees for storing blood for use in the indefinite future are NOT an eligible expense.
Body Scan <ul style="list-style-type: none"> CT body scanning Full body scanning Whole body scanning 	Yes	Body scans ordered by your doctor for a specific medical purpose are eligible.
Botox Treatment	Maybe	Botox is generally cosmetic and NOT an eligible expense. Botox used to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma is an eligible expense. Botox used for the treatment of migraines is an eligible expense. Letter of Medical Necessity Required
Braces and other Orthodontics	Yes	
Braille Books and Magazines	Yes	Partial Reimbursement Only

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
Breast Pumps	Maybe	Breast pumps are reimbursable under limited circumstances. To be an eligible expense, the participant must have a diagnosed disease, injury or illness, and the breast pump must be directly related to treating or alleviating that diagnosed condition. Letter of Medical Necessity Required
C		
Capital Modification (house) A capital modification is an expense incurred for the primary purpose of accommodating a participant's personal residence to a disability of the FSA participant or participant's dependent. <ul style="list-style-type: none"> • Constructing ramps • Widening doorways • Installing railing or support bars to bathrooms, stairways, etc. • Lowering or modifying kitchen or bathroom cabinets • Altering the location of, or modifying electrical outlets and fixtures • Installing porch lifts and other forms of lifts (generally, this excludes elevators because they may add to the fair market value of your residence) • Modifying fire alarms, smoke detectors and other warning systems • Modifying hardware on doors • Grading of ground to provide access to the residence • Isolation of lead paint through wall covering (wallboard, paneling)* 	Yes	<p><i>This list is not exhaustive.</i></p> <p>Capital modifications that do not increase the value of the participant's personal residence will generally be reimbursed for the full cost of the expense.</p> <p>Capital modifications that do increase the value of the participant's personal residence will generally be reimbursed for a portion of expense cost. The reimbursement amount is reduced by the increase in the value of the property. The remaining balance is the eligible medical expense. A capital expense worksheet can be found in IRS Publication 502 to determine the amount that may be reimbursable.</p> <p>Only reasonable costs incurred to accommodate a participant's personal residence to the disability are considered eligible. Additional costs attributable to personal motivations, such as architectural or aesthetic reasons, are not allowable as medical expenses.</p> <p><i>Operation and upkeep:</i> If a capital modification qualifies as an eligible medical expense, amounts paid for operation and upkeep also qualify as eligible medical expenses as long as the medical reason for the capital modification still exists. This is allowable even if none or only part of the original expense qualified as medical care expense (e.g., fuel to operate, cost of repairs, cleaning costs).</p> <p><i>Improvements to rental property:</i> Amounts paid by a disabled person to buy and install special plumbing fixtures for example, mainly for medical reasons, in a rented house may qualify as eligible medical expenses provided the rental property is the participant's principal residence.</p> <p>Warranties are NOT an eligible medical expense. *Does not include the cost of painting the wallboard as a medical expense.</p>
Childbirth-Related <ul style="list-style-type: none"> • Childbirth prep classes (Lamaze) • Midwife fees • Maternity girdles (for back pain) or special support hose (for leg circulation) • Home pregnancy tests • Ovulation kits 	Yes	New parents, newborn childcare classes, or sibling classes are NOT eligible.
Childbirth-Related <ul style="list-style-type: none"> • Doula fees 	Maybe	Typically doulas do not provide medical care. To be considered, a claim must include a statement detailing the medical care provided by the doula.
Chiropractor Fees	Yes	
Christian Science Practitioners	Yes	
Church of Scientology	No	
Circumcision	Yes	Fees for "ritual" circumcision performed by a non-healthcare

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
		provider (e.g., a rabbi, mohel) are NOT eligible.
Colonic Cleansing/Wash	No	
Concierge (Boutique) Fees	No	
Contact Lenses	Yes	Prescription contact lenses only.
Cord Storage	Maybe	Fees for storing umbilical cords for surgery in the near future are an eligible medical expense. Fees for storing umbilical cords for use in the indefinite future are NOT an eligible expense.
Cosmetic Surgery and Procedures <ul style="list-style-type: none"> • Dental veneers, bonding, tooth whitening/bleaching • Facelifts • Blepharoplasty • Sclerotherapy • Botox or Collagen injections 	Maybe	A cosmetic surgery or procedure can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Some of these procedures/treatments may be covered under alternative uses (e.g., Botox for treatment of migraines). Letter of Medical Necessity Required
Cosmetic Surgery and Procedures <ul style="list-style-type: none"> • Cosmetics (make-up) • Tattooing and ear/body piercing • Liposuction • Removal of tattoos • Facials, chemical peels • Breast implants, lifts • Hair transplants or electrolysis 	No	
Counseling <ul style="list-style-type: none"> • Psychotherapy and psychoanalysis • Sex therapy • Bereavement and grief counseling • Telephone counseling 	Yes	Counseling must be performed to alleviate or prevent a physical or mental defect or illness. Eligibility is determined by the nature of the treatment and not the license of the practitioner. Marriage counseling is not an eligible expense, unless performed for the purpose of alleviating or preventing a physical or mental defect or illness.
Crutches	Yes	
D		
Dancing or Swimming Lessons, etc.	No	The cost of dancing lessons, swimming lessons, etc., even if a doctor recommends them for the general improvement of one's health, is NOT an eligible medical expense.
Diabetic Supplies <ul style="list-style-type: none"> • Cotton balls • Alcohol swabs • Glucose tablets • Glucometer and test strips • Needles (lancets) • Syringes • Glucagon emergency kit • Ketone urine test strips • Training classes 	Yes	
Dental Care and Prevention <ul style="list-style-type: none"> • Cleaning • X-rays 	Yes	

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<ul style="list-style-type: none"> • Fillings • Braces or other orthodontics • Extractions • Dentures • Bonding and sealants for dentures • Crowns • Porcelain veneers (if allowed by dental plan, i.e., not cosmetic) 		
Dental Treatment - Cosmetic <ul style="list-style-type: none"> • Teeth whitening or bleaching • Porcelain veneers (if NOT allowed by dental plan) 	Maybe	A cosmetic surgery or procedure can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Letter of Medical Necessity Required
Diaper Service	Maybe	Diapers for a disabled child, other than a newborn, may be eligible, and ONLY if needed to relieve the effects of a particular disease. Letter of Medical Necessity Required
Doctor Fees <ul style="list-style-type: none"> • Anesthesiologist • Chiropractors • Chiropractor • Christian Science Practitioner • Dentist • Dermatologist • Gynecologist • Naturopath • Neurologist • Obstetrician • Oculist • Oncologist • Ophthalmologist/Optomtrist • Optician • Orthopedist • Osteopath • Otorhinolaryngologist • Pediatrician • Physician • Podiatrist • Psychiatrist • Physiotherapist • A physical without diagnosis or not covered by insurance • Consultations • Transfer of medical records • Any expense a doctor may charge to write a letter describing the medical condition and how a recommended item will treat that condition <p>This list is not exhaustive.</p>	Yes	Fees include the portion of the expense not paid for by other health insurance (the "out-of-pocket" portion) Late fees, finance fees, missed appointments, etc are NOT eligible medical expenses.
Drugs/Medicines – Prescriptions	Yes	Prescription drugs must be prescribed by a certified physician and must be purchased legally within the U.S. (See: Health Expenses Incurred Outside of the United States for travel or extraordinary circumstances).
Drugs/Medicines - Over-the-Counter	Maybe	Your plan must include Over-the-Counter (OTC) medicines in order for the OTC to be an eligible expense.

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
		See the OTC Guide at the end of this section for more information.
Drug Addiction Treatment	Yes	
E		
Electrolysis or Hair Removal	Maybe	Electrolysis or hair removal can be an eligible expense but only if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Electrolysis or hair removal to improve one's appearance is an ineligible cosmetic expense. Letter of Medical Necessity Required
Eyeglasses and Eye Care <ul style="list-style-type: none"> • Eye examinations • Contact lens, fitting fee, replacement lens • Contact lens solutions • Reading glasses, • Prescription glasses, prescription sports goggles, prescription sunglasses, scuba masks or safety glasses • Artificial eye and polish • Radial keratotomy, laser surgery or other vision correction surgery * 	Yes	The following items are NOT eligible: <ul style="list-style-type: none"> • Vision insurance premiums • Eyeglass or other vision-related warranties • Non-prescription sunglasses • Non-prescription cosmetic contact lenses (i.e., color change lenses only) • Clip-on sunglasses) *Surgery is eligible if done primarily to promote the correct function of the eye. A doctor's statement may be required to document the condition being treated.
F		
Facilities <ul style="list-style-type: none"> • Hospital • Nursing home • Rehabilitation facility • Home for mentally or physically disabled 	Yes	Fees for a facility, such as a hospital or similar institution, are eligible expenses if the main reason for being there is to receive medical care.
Feminine Hygiene <ul style="list-style-type: none"> • Sanitary napkins (pads & tampons) 	Maybe	Sanitary napkins may be an eligible expense if used for treatment of a medical condition. Letter of Medical Necessity Required
Fertility Treatments <ul style="list-style-type: none"> • Artificial insemination • Fertility exams • Embryo replacement and storage • Egg donor: recipient's medical expenses (recipient must be FSA participant or participant's dependent and the charges are deemed eligible by the medical plan) • In-vitro fertilization • Sperm bank/semen storage for artificial insemination • Sperm implants due to sterility • Sperm washing • Reverse vasectomy • Reverse tubal ligation 	Yes	
Fluoride Treatments	Yes	Letter of Medical Necessity Required
Funeral Expenses	No	
G		
Gender Re-Assignment	No	See http://www.irs.gov/pub/irs-wd/0603025.pdf . Although this

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<ul style="list-style-type: none"> Surgery Counseling Hormone therapy 		letter can't be cited as precedent, the IRS does not typically allow gender reassignments as eligible medical expenses.
Genetic Testing	Maybe	Genetic testing performed to detect possible birth defects is an eligible expense. Testing to determine a child's gender is NOT eligible.
Guide Dogs <ul style="list-style-type: none"> Cost of the animal Care of the animal 	Yes	
H		
Hair Transplant	Maybe	Surgical hair transplants can be an eligible expense if it is necessary to improve a deformity that arises from, or is directly related to, a birth defect, a disfiguring disease or an injury resulting from an accident or trauma. Letter of Medical Necessity Required
Health Club Dues	Maybe	Amounts paid for health club dues or steam baths for your general health or to relieve physical or mental discomfort not related to a particular medical condition are NOT eligible expenses. New health club membership fees paid subsequent to a doctor's recommendation for the treatment of a special medical condition are eligible. Letter of Medical Necessity Required
Health Expenses Incurred Outside of the United States	Yes	Expenses must be for the FSA participant or eligible dependent, and must involve medical care, which could be legally provided within the U.S. (e.g., obtaining laetrile treatments in Mexico is not an eligible expense because laetrile cannot be legally obtained in the U.S.). Prescription drugs purchased outside of the United States are NOT eligible unless the participant was outside of the United States at the time when the medication was needed.
Health Screenings	Yes	The cost of a public health screening (i.e., VDRL, cholesterol, diabetes glucose, blood pressure, etc.) is an eligible medical expense.
Hearing Exams	Yes	
Hearing Aids <ul style="list-style-type: none"> Purchase price and maintenance cost for hearing aid Batteries needed to operate the hearing aid Television or telephone adapter for the deaf Lip reading lessons Hearing exams 	Yes	
Hippo Therapy <ul style="list-style-type: none"> Therapeutic horseback riding 	Yes	Letter of Medical Necessity Required
Hospital Services/Fees <ul style="list-style-type: none"> Private room fees Hospital kits (water pitcher, razor, toothbrush, lotion, etc.) 	Yes	
Household Help <ul style="list-style-type: none"> Cleaning services Cook/chef Personal assistant 	No	The cost of household help, even if recommended by your doctor, is not eligible as a medical expense. See Dependent Care FSA Eligible Expenses .

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
<ul style="list-style-type: none"> • Driver • Gardener 		Certain expenses paid to an attendant providing nursing type service may be eligible. See Nursing Services .
Hypnosis	Yes	Letter of Medical Necessity Required
I		
Insurance Co-Pays	Yes	
Insurance Deductibles	Yes	
Insurance Premiums <ul style="list-style-type: none"> • Any medical, dental or vision insurance premium (HMO, DMO, PPO, etc.) • Long-term care insurance premium • Medicare (parts A, B &D) • Life insurance • Disability insurance premiums • Warranties • COBRA premiums 	No	
L		
Laboratory Fees <ul style="list-style-type: none"> • Blood tests • Cardiographs • Metabolism test • Stool exams • Spinal test • Urinalysis • X-ray exams • Pap smears • Cholesterol test • Thyroid profile • Storage fees for blood taken for surgery in the near future (not long-term storage) • Laboratory handling fees 	Yes	
Lead-based Paint <ul style="list-style-type: none"> • Removal of paint • Covering of paint 	Yes	<p>If a dependent is diagnosed with lead poisoning, due to eating paint, the cost of removing lead-based paints from the surfaces in your home is an eligible medical expense. These surfaces must be in poor repair (peeling or cracking) or within the dependent's reach. The cost of repainting the scraped area is NOT an eligible expense.</p> <p>If, instead of removing the paint, you cover the area with wallboard or paneling, you would treat these items as a Capital Modification.</p>
Legal Fees for Medical Care Authorizing Treatment For Mental Illness	Yes	Legal fees paid to authorize the treatment of a medical condition are eligible. Any fees related to guardianship or estate management are NOT eligible expenses.
Lodging <ul style="list-style-type: none"> • Hospital • Nursing Home • Rehabilitation Facility 	Yes	Lodging at a hospital or similar institution is an eligible expense if the primary reason for being there is to receive medical care.
Lodging (receiving medical care while away from home) <ul style="list-style-type: none"> • Hotel • Motel 	Yes	<p>The cost of lodging not provided in a hospital or similar institution while away from home* is an eligible medical expense if:</p> <ul style="list-style-type: none"> • the lodging is primarily for and essential to medical care; • medical care is provided by a doctor in a licensed hospital or medical care facility equivalent of, a licensed hospital; • the lodging is not lavish or extravagant under the circumstances; and • there is no significant element of personal pleasure, recreation or vacation in the travel away from home.

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		<p>*The amount you include as medical expenses may not exceed \$50 per night per person. Lodging is included for a person for whom transportation expenses are a medical expense because that person is traveling with the person receiving medical care. (e.g., a parent traveling with a sick child is allowed up to \$100.00 per night as a medical expense for lodging). Meals are NOT an eligible medical expense in this instance.</p>
M		
Marijuana	No	
Maternity <ul style="list-style-type: none"> • Childbirth prep classes (Lamaze) • Midwife fees • Maternity girdles (for back pain) or special support hose (for leg circulation) • Home pregnancy tests • Ovulation kits 	Yes	New parents or newborn childcare classes are NOT eligible.
Maternity <ul style="list-style-type: none"> • Doula fees 	Maybe	Typically doulas do not provide medical care. To be considered, a claim must include a statement detailing the medical care provided by the doula.
Meals <ul style="list-style-type: none"> • Hospital • Nursing home • Rehabilitation facility 	Yes	Meals at a hospital or similar institution are eligible expenses if the main reason for being there is to receive medical care.
Medical Alert Bracelet	Yes	
Medical Information <ul style="list-style-type: none"> • Electronic maintenance of medical plan info • Fees to transfer records due to a change in physicians 	Yes	Amounts paid to service that keeps medical information in a computer data bank and retrieves and furnishes the information upon request are eligible expenses.
Medical Supplies <ul style="list-style-type: none"> • Bandages • Thermometers • Heating pad/pack, ice pack • Back braces or supports • Surgical stockings • Wheelchairs, walkers, canes, crutches • Truss • Diabetic supplies • Orthopedic shoes (partial reimbursement) • Blood pressure kit • Glucose kit • Cholesterol testing kit • Inclinator* • Reclining chair* • Special mattress (partial reimbursement)* • Physician's scales* • Bed boards* • Educational materials related to a diagnosed illness* 	Yes	<p>Expenses paid for medical supplies used to aid a person suffering from physical defect/illness are eligible medical expenses.</p> <p>* Letter of Medical Necessity Required</p>

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Mentally Disabled, Home For	Yes	The cost of keeping a mentally disabled person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living.
N		
Nursing Home	Yes	The cost of medical care, including meals and lodging in a nursing home or home for the aged, rest home or sanitarium, if the primary reason for being there is to get medical care, is an eligible medical expense.
Nursing Services <ul style="list-style-type: none"> • Wages and other fees paid for nursing services • Extra rent or utility expenses for a large residence with extra space (bedroom) for a nurse or private attendant 	Yes	Services do not need to be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes caring for the patient's dressings and bathing and grooming a patient. Household services and personal care unrelated to medical care and not covered under your medical plan are NOT eligible medical expenses.
Nutritional Supplements	Maybe	Nutritional supplements prescribed by a doctor for the treatment of a specific medical condition are eligible. Letter of Medical Necessity Required
O		
Orthodontics	Yes	
Over-the-Counter Medicines/Drugs	Maybe	Your plan must allow Over-the-Counter (OTC) medicines in order for the OTC to be an eligible expense. See the OTC Guide at the end of this section for more information. Over-the-counter medicines, intended for medical use only and not merely to benefit the participant are an eligible medical expense. An itemized receipt showing the name of drug, date purchased and purchase price is required with the claim form. A doctor's statement may be required for certain items.
Oxygen <ul style="list-style-type: none"> • Oxygen tanks • Oxygen equipment 	Yes	
P		
Penile Implants	Maybe	A penile implant is an eligible expense only if impotence is due to organic causes such as trauma, post-prostatectomy or diabetes. Letter of Medical Necessity Required
Personal Hygiene Products <ul style="list-style-type: none"> • Toothpaste, toothbrush, mouthwash, floss • Deodorant • Shampoo, conditioner, hair spray • Bath soap, hand soap • Shaving cream 	No	
Prescription Drugs	Yes	Prescription drugs are an eligible expense if prescribed by a doctor and purchased in the United States.
Prescription Drug Additives	No	Flavorex is an additive used to improve the taste of medicine. Any cost associated with Flavorex is not eligible.
Prosthesis	Yes	

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
Psychiatric Care	Yes	Eligible expenses include the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care.
Psychoanalysis	Yes	Payment for psychoanalysis that is part of a person's training to be a psychoanalyst is NOT an eligible medical expense.
Psychologist	Yes	
R		
Radon Mitigation	Maybe	Radon testing must have occurred and there must be a harmful level of radon in order for mitigation to be an eligible expense. Any structural repairs are subject to the limitation on capital expenditures.
S		
Sales Tax or Shipping & Handling	Yes	Costs for sales tax, shipping or handling fees associated with an eligible expense.
Service Animals for Disabled Persons <ul style="list-style-type: none"> • Cost of the animal • Care of the animal 	Yes	
Smoke Detector for Disabled Persons	Yes	Partial Reimbursement Only
Stop-Smoking Program	Yes	Over-the-counter (OTC) items for smoking cessation are only eligible if the employer's plan allows OTC drugs.
Special Food	Maybe	Only if proven to be effective for the treatment of a medical condition. Partial Reimbursement Only Letter of Medical Necessity Required
Special Education for Disabled Persons <ul style="list-style-type: none"> • Tuition • Lodging • Meals • Tutoring fees 	Yes	The cost of a school for a mentally impaired or physically disabled person is an eligible expense if the primary reason is to treat or relieve the disability. (e.g.: school for the visually impaired; lip reading to the hearing impaired; or remedial language training to correct a condition caused by a birth defect). Tutoring by a professional who is specially trained and qualified to work with learning disabilities is also an eligible expense. Letter of Medical Necessity Required The cost of sending a child with behavior problems to a school where the course of study and the disciplinary methods have a beneficial effect on the child's attitude is NOT an eligible expense. The cost of a boarding school while recuperating from an illness is NOT an eligible expense.
Speech Therapy	Yes	Speech therapy is an eligible expense if rendered to treat a medical condition or is restoratory or rehabilitatory in nature. Letter of Medical Necessity Required
Sterilization/Sterilization Reversal <ul style="list-style-type: none"> • Vasectomy • Tubal ligation 	Yes	
Swimming Pools or Whirlpools	Maybe	If a swimming pool or whirlpool is used for the primary purpose of treating a medical condition, a portion of the expense may be eligible. See Capital Modification for more information. Partial Reimbursement Only Letter of Medical Necessity Required

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
Surgery, Non-Cosmetic	Yes	
T		
Tanning Bed	Maybe	Tanning beds are an eligible expense if tanning is used for the treatment of medical condition. Letter of Medical Necessity Required
Telephone for Disabled Persons <ul style="list-style-type: none"> • Purchase price of special equipment • Repair of special equipment 	Yes	Partial Reimbursement Only
Television for Disabled Persons <ul style="list-style-type: none"> • Purchase price of special equipment • Repair of special equipment 	Yes	Partial Reimbursement Only
Therapy <ul style="list-style-type: none"> • Physical therapy • Occupational therapy • Speech therapy* • Chiropractor fees • Massage therapy* • Hydrotherapy* • Hypotherapy* • Patterning exercises for mentally disabled persons* • Radiation therapy • Chemotherapy • Counseling • Telephone counseling 	Yes	* Letter of Medical Necessity Required
Transplants, Organ or Tissue <ul style="list-style-type: none"> • Surgical, hospital, laboratory and transportation fees • Cost to transfer medical records in order to find organ donors 	Yes	
Transportation for Medical Care <ul style="list-style-type: none"> • Mileage for personal automobile • Parking fees and tolls • Bus, taxi, train, plane fare • Ambulance service • Transportation for companion if accompanying a patient who is unable to travel alone • Transportation for regular visits to see a mentally ill dependent if visits are recommended as part of the treatment • Transportation to alcohol or drug rehabilitation meetings • Transportation to pharmacy to purchase eligible expenses • Transportation to provider for medical treatment 	Yes	<p>Transportation expenses (personal vehicle, airfare, bus fare, etc.) may be reimbursed when the transportation is primarily for, and essential to, medical care.</p> <p>Transportation expenses for a personal vehicle can be reimbursed by a mileage rate determined by the IRS and subject to change. From January 1, 2008 through June 30, 2008, the standard mileage rate was 19 cents per mile for use of an automobile to obtain medical care as prescribed under the IRS §213. From July 1, 2008, through December 31, 2008, the standard mileage rate is 27 cents per mile. Effective January 1, 2009, the rate has been reduced to 24 cents per mile. Alternatively, you can be reimbursed by the actual amount spent on gas and oil (does not include expenses for general repair, maintenance, depreciation or insurance).</p> <p>The following information must be included with the request for mileage reimbursement:</p> <ul style="list-style-type: none"> • Amount of miles. • Date of transportation. • Name of provider, such as doctor or pharmacy name. <p>The following are NOT eligible transportation expenses:</p>

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Healthcare Expense Type	Eligible for Reimbursement	Special Exceptions or Requirements
		<ul style="list-style-type: none"> Transportation to and from work, even if the condition requires an unusual means of transportation. Travel to another city if the primary purpose for the travel is not related to medical care, such as a vacation or trip to visit relatives.
Tuition Fees	Maybe	<p>Tuition fees paid to a private school as a personal preference over public schooling for general education are NOT eligible medical expenses.</p> <p>Fees for medical care that are included in the tuition fee are eligible if the fees are separately stated on tuition statement.</p>
U		
Umbilical Cord Storage	Maybe	<p>Fees for storing umbilical cords for surgery in the near future are an eligible medical expense.</p> <p>Fees for storing umbilical cords for use in the indefinite future are NOT an eligible expense.</p>
V		
Vacations	No	A vacation taken for a change in environment, improvement of morale or general improvement of health –even if made on the advice of a doctor – is NOT an eligible medical expense.
Vitamins and Dietary Supplements	Maybe	<p>Vitamins or other supplements prescribed by a doctor for the treatment of a specific medical condition are eligible.</p> <p>Letter of Medical Necessity Required</p>
W		
Water Bed	Maybe	<p>Expenses for a waterbed used in the aid of a special ailment and not for general well-being are eligible medical expenses.</p> <p>Letter of Medical Necessity Required</p>
Water Fluoridation Units and Water Pik	Maybe	<p>Items prescribed by a doctor for the treatment of a specific medical condition are eligible.</p> <p>Letter of Medical Necessity Required</p>
Weight Loss Program	Yes	<p>The weight loss program must treat a medical condition diagnosed by a healthcare provider. (e.g.: obesity, diabetes, high blood pressure) Only program fees are eligible.</p> <p>Letter of Medical Necessity Required</p> <p>The cost of a weight loss program to improve your general health and appearance is NOT an eligible expense.</p> <p>The cost of food is NOT an eligible expense.</p>
Wheelchair <ul style="list-style-type: none"> Purchase price of wheelchair Operating cost of wheelchair 	Yes	
Wigs or Toupees	Maybe	<p>Wigs or toupees are eligible expenses if recommended by a physician for the mental health of a person who has lost his/her hair due to disease.</p> <p>Letter of Medical Necessity Required</p>
X		
X-Ray Fees	Yes	

OVER-THE-COUNTER (OTC) DRUG EXPENSES

The IRS allows certain over-the-counter (OTC) medicines and products to be reimbursed from a Healthcare FSA when the OTC item is used for medical purposes. Eligible OTC items include medicines or products that alleviate or treat injuries or illness for you and your eligible dependents.

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Reimbursement for any OTC expense must follow the existing rules regarding Healthcare FSAs, with some minor adjustments made to accommodate receipts and appropriate use.

In short, the expense must:

- Be incurred during your period of coverage;
- Be for you or an eligible dependent;
- Not be reimbursed through another plan;
- Be accompanied by a detailed receipt; and
 - A detailed receipt must provide the name of the medicine or product, the date, and the amount paid.
 - If your receipt does not include the above information, you will need to have this information documented by the merchant where the purchase was made.
- Be reasonable in quantity (stockpiling is not allowed, the items purchased must be usable before the end of the current plan year)

Please see [Appendix A](#) for a partial list of eligible, dual purpose, and ineligible OTC items.

