

Flexible Spending Account (FSA) Covered & Excluded Expenses

Health care expense eligible for reimbursement

Allowable health care expenses must be submitted under medical, vision, dental, and/or prescription drug coverage before they can be considered for reimbursement. Only the portion of the qualified expense that is not covered by any other coverage can be paid under a health care flexible spending account. Qualified expenses include:

Acupuncture	Legal abortions
Alcoholism and drug treatment	Legal fees (to authorize treatment for mental illness)
Ambulance costs	Mental nervous disorders
Artificial limbs and teeth	Nursing services
Birth control pills	Obesity (call for details)
Braille books and magazines (the added cost of having materials created in Braille)	Obstetrical expenses
Car controls for the handicapped	Operations, if medically necessary
Chiropractors and chiropractic care	Organ transplants
Christian Science practitioners	Orthodontic treatment (call for details – only if payment is being paid directly to orthodontist)
Contact lens, solutions, cleaners and replacement coverage	Orthopedic shoes (cost difference between regular shoes and orthopedic shoes)
Copays	Over-the-counter drugs (to alleviate or treat illness or injuries)
Crutches	Oxygen
Deductibles	Periodontal fees
Dental fees, exams and cleanings	Prescription drugs (drugs with Rx #)
Dental implants, dentures and bridges	Psychiatric care
Diagnostic tests	Psychoanalysis
Experimental medical treatment	Psychologist fees (see exclusions)
Eye examinations	Radial keratotomy
Eyeglasses, prescription sunglasses and reading glasses	Smoking cessation programs (includes nicotine gum or patches)
Guide dogs (purchase, training and maintenance)	Telephone for the deaf
Hearing treatment including devices and batteries	Television with audio display for the hearing impaired (call for details)
Hospital services	Transportation for medical care
In vitro fertilization	Vaccinations
Inpatient therapy	Walkers
Insulin injections	Weight loss treatments and prescriptions (restrictions apply – call for details)
Laboratory fees	Wheelchairs
Lasik (laser) eye surgery	X-rays
Lamaze classes (for mothers only)	
Lead based paint removal	
Learning disabilities – tuition or fees for special schools (call for details)	

*And other items as may be allowed by the IRS under Section 213.

Following is a partial list of health care expenses that are usually **not** covered under the health care spending account. Contact your Human Resources department or call 877-372-4730, prompt #2 for further details.

- Breast pump
- Cosmetic surgery or procedures
- Dancing lessons (even if recommended by a doctor)
- Diaper services
- Domestic help fees (for non-medical services)
- Electrolysis
- Funeral expenses
- Health insurance premiums
- Homeopathic items
- Household help
- Illegal operations and treatments
- Liposuction
- Marriage counseling
- Maternity clothes
- Medical savings account deposits
- Over-the-counter drugs, products or formulas for general health (vitamins, beauty aids, lotion, toothpaste)
- Personal use items
- Physical or massage therapy for general health
- Solutions for the care and maintenance of eyeglasses
- Supplements prescribed by alternative providers (i.e., Naturopath, acupuncturist)
- Swimming lessons (even if recommended by a doctor)
- Teeth bleaching
- Union dues

Health care expenses: claim filing instructions

1. The total annual election for eligible medical expenses (less any previous reimbursements paid) is available upon request.
2. Refer to the provisions in your Summary Plan Document for the minimum and maximum annual election amounts.
3. To be reimbursed, you must include the patient's name, date of service, name of service provider, description of the expense, and the amount of the claim (net of any amount that has been or is going to be paid by insurance or other sources).
4. IRS Section 125 regulations indicate that an expense is considered incurred at the time the service giving rise to the expense is provided, and not when you are formally billed for, charged for or pay for an expense. The expense must be incurred during the period you and your dependents are covered under this plan.
5. The documentation necessary to reimburse an OTC drug expense will be similar to that requested for all other types of health care FSA expenses. We will require an itemized receipt that includes the name of the provider, the name of the product purchased, the cost of the item, and the date it was purchased, (i.e., Walgreen's, 01/10/04: Tylenol – \$6.99, Vicks 44 – \$4.99, etc).

If a cash register receipt from the provider includes all the information listed above, it will be considered acceptable documentation. If the cash register receipt does not include all that information, and (for example) is missing the name of the provider, the date, or just lists OTC and an amount, rather than the actual name of the OTC drug, we will not be able to reimburse the participant for that OTC drug.



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Principal Life Insurance Company, Des Moines, Iowa 50392-0002, www.principal.com