



## FUNDED HRA: QUALIFIED EXPENSES

**As of January 1, 2020: Over-the-counter (OTC) medicines and drugs are now reimbursable via FSA, HRA, and HSA without a prescription or physician’s note if purchased on or after 01/01/2020.** Eligible OTC products include items that are for medical care and are primarily for a medical purpose and are compliant with federal tax rules under IRS Code Section 213(d).

### Requesting Reimbursements

Participants may request reimbursements by submitting a reimbursement request form online at [www.tasconline.com](http://www.tasconline.com). Please upload verification; the IRS requires proof that your submitted expense is a qualified expense. Please note, pretax premiums are not eligible for reimbursement; however, post-tax premiums are eligible for reimbursement under the Retiree Funded HRA.

### IRS Definition of Qualified Expenses and Premiums

As of January 1, 2017, premiums are no longer an eligible expense if you are in an Integrated Plan. Post-tax premiums are only eligible if you are in a Retiree Funded HRA; pretax premiums are not eligible for reimbursement. Internal Revenue Code Section 213(d) defines qualified expenses in part as “medical care” amounts paid “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body...” To be eligible, these expenses must be to alleviate or prevent a physical defect or illness. Expenses solely for cosmetic reasons generally are not considered medical care expenses. Examples include facelifts, hair transplants, and hair removal (electrolysis). Expenses that are merely beneficial to your general health (e.g., vitamins) are not expenses for medical care. One fact or circumstance that often, but not always, indicates that medical care involves the treatment or prevention of disease is whether a physician prescribes the care.

“Dual-purpose Items” may have a medical purpose and a personal/cosmetic or general health purpose. In this case, submit a Letter of Medical Necessity from a licensed medical provider stating the beneficiary purchased the item for a specific medical condition. “Excluded Items” are those used primarily for general health and well-being.

The following contains a list of eligible expenses. It is not a complete list but contains many common qualified expenses and premiums. The IRS can provide a more comprehensive list.

INSURANCE PREMIUMS	MOST COMMON EXPENSES	MILITARY RETIREES (TRICARE)
COBRA premiums	Co-pays	Co-pays
Retiree Medical	Coinsurance	Coinsurance
Retiree Dental	Deductibles	Deductibles
Retiree Vision		Dental
Long-term care (tax-qualified, subject to IRS limits)		Vision
Medicare Part B		
Medicare Part D		
Medicare supplement plans		
Medicare Advantage plans		
Post-tax premiums		
PRIME (HMO)		
PRIME supplement		
TRICARE		



QUALIFIED EXPENSES	QUALIFIED EXPENSES (continued)	COVERED SERVICES & FEES
Acupuncture Adoption medical expenses Alcoholism and drug treatment center costs Ambulance Bandages & dressings Birth control pills Birthing classes (if related to childbirth) Blood sugar – glucose testing kits Carpel tunnel wrist supports Circumcision Condoms Contact lenses, solutions, etc. Dentures and denture adhesives Eyeglasses Fertility treatments First aid kits Hearing aids & batteries Immunizations Incontinence supplies (i.e. diapers for adults) Laser eye surgery Learning disability (special school or specially trained educator, recommended by doctor Lodging (for medical care or treatment)	Medical supplies and equipment Norplant insertion or removal Obstetrical expense Operations Organ transplants Orthodontia Physical therapy Prenatal vitamins taken during pregnancy Prescription medicines Skilled nursing care Speech therapy Stop smoking programs Sunscreen (15 SPF or higher) Support braces Telephone for deaf (TTY) Therapy treatments (related to medical care) Thermometers Transportation (subject to IRS limits) Vaccines Vasectomy Viagra Walkers, canes, crutches and wheelchairs X-rays	Anesthetist Chiropractor Christian Science Co-pays Coinsurance Deductibles Dentist Eye exams Gynecologist Hospital Laboratory Naturopath Nursing Obstetrician Oral surgery Ophthalmologist Optometrist Orthodontist Osteopath Physician Physiotherapist Psychiatrist Psychologist



DUAL PURPOSE ITEMS (Letter of Medical Necessity required)	EXCLUDED ITEMS	OTC MEDICINES & DRUGS
Acne medications Air conditioning and air filters used for alleviating illness Counseling Diapers (adult incontinence) Dietary supplements or herbal medicines Doula Exercise equipment Fiber supplements Fluoridation treatment Gambling treatment Genetic testing Glucosamine/Chondroitin for arthritis Health club memberships (limited) Herbal treatments or supplements Holistic or natural healers Home improvements Hypnosis Lactation consult Massage therapy Orthopedic shoes & inserts Prescription drugs that also have a cosmetic purpose (i.e. Retin-A, Botox, Rogaine, Propecia) Special schools and education St. John's Wort Sunscreens Weight loss program (excludes food) Wigs	Birthing coach Birthing tubs Cosmetic surgery and procedures Cosmetics, creams, hygiene products Dancing lessons Diapers or diaper service Diet foods Ear or body piercing Electrolysis or hair removal Feminine hygiene products (i.e. tampons) Funeral, cremation or burial expenses Hair transplants Household help Illegal operations and treatments Late fees Lip moisturizers (i.e. ChapStick®) Marijuana or other controlled substances Marriage counseling Medicated shampoos Missed appointment fees Non-prescription eyeglasses Student health fees Sunglasses, or safety glasses Special foods/beverages Soaps Tanning salons and lotions Teeth whitening Toothpaste or toothbrushes Veneers Vitamins	Allergy medicines Antacids Anti-diarrhea medicines Antihistamines Aspirin Bug bite medication Calamine lotion Cold medicines Cough drops Diaper rash ointments Eye products (i.e. Visine®) Feminine care products Hemorrhoid creams Menstrual pain & cramp relief Motion sickness pills Muscle or joint ache pain relievers (i.e. BENGAY®) Nicotine gum/patches Pain relievers Sinus medications Sleeping aids Sunburn ointments Suppositories Wart removal treatments

Check the status of your reimbursement request online at [www.tasconline.com](http://www.tasconline.com).