

Healthcare Spending Account FAQ

What is a Flexible Spending Account Plan?

It's a benefit provided by your employer that lets you set aside a certain amount of your paycheck into an account before paying income taxes. Then, during the year, you can use funds in the account to pay for qualified expenses. This Plan provides tax savings throughout the year!

What's the biggest benefit when I participate?

Your biggest benefit is saving on payroll withholding taxes and some social security taxes. That means you'll save \$25 to \$40 on every \$100 you budget to pay for qualified expenses!

Are there other advantages besides saving money on taxes?

Absolutely! Your Healthcare Flexible Spending Account is like having a tax-free, interest-free loan. All of the money you will contribute for the year is available to you on day one of the plan year – even before any money has been set aside from your paycheck.

What expenses qualify for payment?

Most qualified expenses are for goods or services you plan to buy anyway. A list of common items is below; you may also call CDB for more information.

Qualified Healthcare Account Expenses *(if purchased during the plan year)*

Acne treatments	Diabetic Supplies	Monitors & test kits
Acupuncture	Diagnostic Services	Nausea Medications
Alcoholism Treatment	Drug Addiction Treatment	Nasal Spray & Strips
Allergy & Sinus Medicine	Ear Drops	OB/GYN Fees
Ambulance/Emergency Health Services	Ear Wax Removal	Occlusal Guards
Anesthesia	Eye Drops & Treatments	Occupational Therapy
Antacid	Eye Exam	Organ Transplants
Antibiotic Ointment	Eye Glass Repair Kit	Orthopedic & Surgical Supports
Aspirin or Other Pain Reliever	First Aid Kits	Over-the-Counter Drugs & Medicines
Athletic Treatments/Braces	Flu Shots	Ovulation Monitor
Bandages	Gastrointestinal Medication	Physical Exams
Birth Control	Genetic Counseling	Physical Therapy
Blood Pressure Monitor	Glucosamine & Chondroitin	Pregnancy Tests
Breast Pump	Hearing Aids & Batteries	Prescription Eyeglasses/ contact lenses
Breastfeeding Classes	Hospital Services & Fees	Prescriptions
Childbirth Classes (mother only)	Immunizations	Primary Physician Office Visit
Chiropractic Care	Incontinence Supplies	Prosthesis
Cholesterol Test Kits & Supplies	Individual Therapy	Reading Glasses
Cold & Flu Medicine	Infertility Treatment	Smoking cessation
Condoms	Laboratory Fees	Specialist Office Visit
Contact Lens Solution	Lactation Supplies	Speech Therapy
Contraceptives	Lamaze Classes (mother only)	Spermicidals
Cough drops	Lasik	Sunglasses (prescription)
Cough syrup	Laxatives	Sunscreen with SPF 15+
CPAP Machine	Lens Wipes	Surgery (for non-cosmetic purposes)
Defibrillator	Lice Treatment	TENS Unit
Dental	Medical Abortion	Tubal Ligation
Dental Bridge	Medical Counseling	Vaccinations
Dental Denture	Medical Equipment & Repairs	Vasectomy
Dental Implants	Medical Records Charges	Vision Correction Treatment/Surgery
Dental Sealants	Menstrual Products	Walking Aids (canes, crutches, etc)
Denture Adhesive	Midwife	Wheelchairs and Repairs

Ineligible expenses under the healthcare account:

- Cosmetic surgery & procedures
- Dental bleaching
- Marriage or family counseling
- Insurance Premiums
- Weight loss for general health or appearance

How do I pay for qualified expenses?

CDB offers 3 easy ways to get reimbursed:

- FSA Card (if offered by your employer)
- Check directly deposited to your bank account (if offered by your employer)
- Check mailed to your home

Using Your FSA Card

Over 80% of Healthcare FSA expenses are automatically approved so you won't need to submit claims or documentation for FSA Card use. However, always keep copies of your receipts and other supporting documentation. Below is a table to help guide you when using your FSA Debit Card.

FSA Card Action

No Substantiation Required	May Require Documentation	Cannot Use the FSA Card
<p>HealthCare Providers with Copays:</p> <ul style="list-style-type: none"> • Hospitals • Over-the-Counter Drugs & Medications • Pharmacy • Physicians Office • Vision Care Providers • Urgent Care • Out-Patient Surgery Centers 	<p>You will be notified by mail if documentation is needed for:</p> <ul style="list-style-type: none"> • Deductibles or Coinsurance • Spouse's insurance out-of-pocket expenses • Dental Expenses 	<ul style="list-style-type: none"> • Some Over-the-Counter items require prescriptions • Any Non-Qualified Expense • Any Non-Participating provider, merchant or retailer

Do I need to file claim forms?

If you use the FSA Card or if CDB administers your Medical, Dental or Vision plan, you may not need to ever file a claim form. Some types of expenses paid for with the FSA Card may require further documentation. If so, we will send a letter to your home requesting it. In some cases, the FSA Card cannot be used for qualified expenses due to merchant payment systems; therefore, you must submit a claim form with the appropriate documentation.

How do I know how much money is available?

Your balance and other details are always available online by logging into your CustomFlex web portal or through the CustomFlex Mobile App.

Must money be deposited in my account before I pay expenses or file a claim?

No, the entire annual amount you elect for the Healthcare Flexible Spending Account is available on the first day and throughout the plan year. However, only amounts you've contributed are available for Dependent Care, Parking/Transit and Adoption Expenses.

I already have health insurance. Why should I participate in the Healthcare Flexible Spending Account (FSA)?

The Healthcare FSA is used to pay for expenses not covered by insurance. These include copays, over-the-counter medications, glasses, contacts, orthodontics, most dental expenses, and prescription drugs, just to name a few.

I don't use my employer's health insurance. Can I still save?

Yes! You can still set aside money (before taxes are taken out) to budget and pay for qualified expenses. Remember, a qualified expense paid from this plan cannot be eligible for reimbursement from another plan.

If I set aside part of my pay, won't I make less money?

No. For every dollar you set aside to pay for qualified expenses, you save FICA, federal and state (where applicable) withholding taxes. Your net take-home pay will increase by the tax dollars you save. When you pay for qualified expenses, they are TAX FREE!

Can I change my contributions during the year?

Yes, but only in certain circumstances permitted by the IRS. You can only change Healthcare FSAs if you have a Qualified Event such as change in coverage, loss of coverage, change in employment for you or a spouse or a dependent, and death or birth of a dependent.

What if I don't use all of the money in my account?

Depending on how your employer has set up the plan it may allow for funds to carry over, an extended benefit plan year, or a 'use it or lose it'. Therefore, be sure to carefully budget and calculate your qualified expenses. If you are unsure which situation applies to your plan please contact Custom Design Benefits.

What happens to my account if I terminate employment?

You may request reimbursement for qualified expenses incurred prior to your termination. Check your Summary Plan Description for additional rights provided by your employer's plan.

Are there any negatives that I should know about?

Because you may not pay social security tax on the amount of gross pay you set aside to pay for qualified expenses, your social security benefits at retirement may be slightly reduced. However, most tax advisors recommend taking advantage of current tax-savings opportunities like Flexible Spending Accounts.

What is appropriate documentation for submitting a Healthcare FSA claim?

Please submit the insurance EOB or billing statement that details:

- the date of service
- type of service
- name of the patient
- name of the provider
- final patient responsibility

Claims that are reimbursed by insurance are not eligible for FSA reimbursement.