

Limited Healthcare Spending Account FAQ

What is the purpose of a limited FSA?

A limited FSA is a tax-favored plan that is "permitted other coverage" for health savings account (HSA) eligibility. A limited FSA can only reimburse for dental, vision and preventive care expenses while meeting the deductible of the high deductible health plan (HDHP).

What is an "eligible expense" under the limited health care FSA?

While meeting the deductible of your High Deductible Health Plan (HDHP), eligible expenses for a limited health care FSA are for vision, dental and preventive care. Examples of common out-of-pocket expenses covered by a limited FSA include eye care, such as exams, LASIK surgery, eyeglasses and contact lenses for vision correction, and saline solution; orthodontia and dental work; preventive screenings and periodic health evaluations; prescription medicine for preventive care; and over-the-counter items for dental, vision and preventive care.

Once you meet the deductible of your HDHP and if your plan allows it, your limited FSA becomes a post-deductible FSA. A post-deductible FSA pays all FSA-eligible expenses, just like a traditional health care FSA. For more information, we recommend that you consult a tax advisor or IRS Publication 969, which provides guidance on the types of expenses that can be reimbursed from a limited FSA. [CLICK HERE](#) to access Publication 969.

What is appropriate documentation for submitting a Healthcare FSA claim?

Please submit the insurance EOB or billing statement detailing the date of service, type of service, sequence or processing of insurance payments and that reflects the balance due. (Claims that are reimbursed by insurance are not eligible for FSA reimbursement.)