

HEALTH REIMBURSEMENT ARRANGEMENT EMPLOYEE GUIDE

MONTGOMERY COUNTY

HEALTH REIMBURSEMENT ARRANGEMENT ACCOUNT

PLAN YEAR: October 1, 2015 – September 30, 2016

ELIGIBILITY REQUIREMENTS:

All employees who participate in the group health insurance plan are eligible to participate in the Health Reimbursement Arrangement Account (“HRA”).

IMPORTANT NOTE:

If you have enrolled in the Employer’s qualifying high deductible health care coverage, such that you are eligible to make contributions to a Health Savings Account (“HSA”), your participation in the Health Reimbursement Arrangement is limited.

Montgomery County has created a Limited HRA for those employees enrolled in the HSA. If you have remaining funds in your HRA account, you will automatically be eligible for the Limited HRA. Under the Limited HRA, you can only be reimbursed for “medical care” (as defined in the Tax Code) that is *dental, vision, or “preventive care”* (the IRS has defined “preventive care”).

Please refer to page 6 of this Guide for eligible expenses under the Limited Health Reimbursement Arrangement Plan.

HEALTH REIMBURSEMENT ARRANGEMENT

ELIGIBLE EXPENSES

Uninsured medical expenses, deductibles, co-insurance, co-payments, and some over-the-counter items.

EXAMPLES OF ELIGIBLE HEALTH CARE EXPENSES

FEES/CO-PAYS/DEDUCTIBLES:

Acupuncture	Prescription Eye glasses/Contact lenses	Physician
Ambulance hire	Psychiatrist	Psychologist
Anesthetist	Hospital	Erectile dysfunction medication
Chiropractor	Laboratory	Sterilization Fee
Dental Fees	Nursing	Surgery
Diagnostic	Obstetrician	X-Rays
Eye Exams	Laser Eye Surgery	Wheel Chair

OTHER ELIGIBLE EXPENSES:

- Prescription drugs
- Artificial limbs & breasts (only if reconstructive)
- Birth control pills, patches (e.g. Norplant)
- Orthopedic shoes/inserts
- Carpal tunnel wrist supports
- Incontinence supplies
- Vaccinations & Immunizations
- Elastic hose (medically prescribed)
- Contact lens supplies
- Therapeutic care for drug and alcohol addiction
- Take-home screening kits (HIV, colon cancer)
- At home pregnancy test kits
- Mileage, parking and tolls (you may be reimbursed \$.23* a mile plus parking and tolls when medical reasons make it necessary to travel)
- Tuition fees for medical care (if the college furnishes a breakdown of medical charges)
- Orthodontic expenses (not for cosmetic purposes)
- Diabetic supplies
- Routine Physicals
- Condoms
- Dentures
- Oxygen
- Physical Therapy
- Fertility Treatments
- Hearing aids and batteries
- Reading glasses
- Medical equipment
- Pedialyte for dehydration

NOTE: ORTHODONTIC TREATMENT IS REIMBURSED ACCORDING TO YOUR PAYMENT PLAN WITH THE ORTHODONTIST. FOR EXAMPLE: If your payment plan is set up to pay \$100 a month for the orthodontic treatment, you can be reimbursed \$100 a month for the payments that become due during the Plan Year.

This above list is compiled from IRS publication 502. If you are unsure that your expected medical expense will be eligible under tax code regulations, please call Flexible Benefit Administrators at (757) 340-4567 or (800) 437-FLEX before making your election for the Plan Year. IRS publication 502 can be ordered by calling the IRS at (800) 829-3676.

* Mileage reimbursement rate is based on IRS regulation and subject to change.

HEALTH REIMBURSEMENT ARRANGEMENT

EXPENSES FOR IMPROVEMENT OF GENERAL HEALTH are not eligible for reimbursement even if a doctor prescribes the program. However, if the program is prescribed for a specific medical condition (e.g. Obesity, Emphysema), then the expense would be eligible. We must have a letter from your doctor on file for each Plan Year stating specifically what illness or disease is being treated or prevented and the length of time you will be required to use this treatment in order to reimburse for any of these types of expenses.

Health Club Dues
Weight Loss Programs
Exercise equipment

Exercise classes
Wigs

NOTE: For Weight Loss Programs, only the cost of the program is an eligible expense. Any cost for food or food supplements is not an eligible expense.

COSMETIC expenses, prescriptions and treatments are not eligible. This applies to any procedure that is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat an illness or disease. If cosmetic treatment is necessary to correct a deformity or abnormality, a personal injury or a disfiguring disease, it must meet IRS eligibility guidelines outlined in IRS publication 502 and will require a physician's letter of medical necessity.

OTHER EXPENSES THAT ARE NOT ELIGIBLE FOR REIMBURSEMENT THROUGH THE HEALTH REIMBURSEMENT ARRANGEMENT

- ⊖ **ESTIMATES** for medical expenses that have not been rendered cannot be reimbursed. Medical services do not have to be paid for, however, the services must have been rendered during the Plan Year, to be eligible for reimbursement.
- ⊖ **PREMIUM EXPENSES** for any insurance policies are not eligible for reimbursement through the Health Reimbursement Arrangement. This includes contact lens insurance.
- ⊖ **EXPENSES PAID BY AN INSURANCE COMPANY** are not eligible for reimbursement through the Health Reimbursement Arrangement. Only the portion you have to pay out of your pocket for your medical expenses is eligible for reimbursement.

HEALTH REIMBURSEMENT ARRANGEMENT

OVER-THE-COUNTER EXPENSES

- Examples of medications and drugs that may be purchased in reasonable quantities **with a prescription:**

Antacids	Allergy & sinus medication
Pain relievers/aspirin	Cough & cold medications
Ointments & creams for joint pain	Laxatives
Anti-diarrhea medicine	Bug-bite medication
First aid creams (Bactine, diaper rash)	

OVER-THE-COUNTER EXPENSES THAT ARE NOT ELIGIBLE

- The following examples are OTC items that are **not eligible** and will not be reimbursed under any circumstances because the items are considered dietary supplements, toiletries, cosmetic or personal use items:

Multi/Daily Vitamins	Herbal/natural supplements
Weight loss products/foods	Acne creams/face cleanser
Face cream/moisteners	Medicated shampoo/soaps
Mouthwash/toothpaste	Toothbrushes (even if dentist recommends a special one)
Feminine hygiene products	Deodorant
Eye/facial makeup/preparations	Chapstick
Suntan lotion	Rogaine

DUAL PURPOSE DRUGS & ITEMS

EXPENSES THAT NEED DOCUMENTATION FROM YOUR PHYSICIAN TO BE ELIGIBLE THROUGH THE HEALTH REIMBURSEMENT ARRANGEMENT

- The following items are examples of products that are considered as having both a medical purpose and a general health, personal/cosmetic purpose and require a medical practitioner's note stating the name of the patient, the specific medical condition for which the OTC is recommended, the time frame of the treatment and that the treatment is not cosmetic:

Weight-loss drugs (to treat obesity)	Nasal sprays for snoring
Pills for lactose intolerance	
Fiber supplements (to treat a medical condition for a limited time)	
OTC Hormone therapy (to treat menopausal symptoms)	
St. John's Wort (for depression)	

LIMITED HEALTH REIMBURSEMENT ARRANGEMENT

Montgomery County has created a Limited HRA Plan for those employees enrolled in the HSA Plan. The Limited HealthCare Reimbursement Arrangement will allow you to claim eligible expenses for **dental, vision, or “preventive care.”**

Drug costs, including over-the-counter drugs may be reimbursed if they are considered for dental, vision, or “preventive care” expenses. Drugs or medications will fall within the guidelines when they are taken by a person who has developed risk factors for a disease that has not yet manifested itself or has not been clinically apparent (no symptoms yet developed). The drugs could also be taken to prevent the recurrence of a disease from which a person has recovered.

Examples of preventive care eligible expenses:

1. The treatment of high cholesterol with cholesterol-lowering medications to prevent heart disease or the treatment of recovered heart attack or stroke victims.
2. Drugs or medications used as part of procedures providing preventive care services such as obesity, weight-loss and tobacco cessation programs.
3. Screenings: Cancer, Heart and Vascular diseases, Infectious diseases, Mental Health conditions, Substance Abuse, Metabolic, Nutritional, and Endocrine conditions, Musculoskeletal disorders, Obstetric and Gynecologic conditions, Pediatric conditions and Vision and Hearing disorders. (I will also distribute a list of more detailed descriptions of these screenings).

Diagnosis information to determine whether a particular medication (that may also be used to treat an existing condition) is being prescribed for preventive purposes may be requested to determine whether a drug or medication is being used to prevent or treat an illness. Letters of medical necessity for Limited HRAs must specifically state that it is being used to prevent an illness. In example #1 above, a letter could state that “Mary needs to take Lipitor to prevent heart disease due to the fact that she has a family history of heart disease.”

A letter of medical necessity for prevention of an illness will also be required for any OTC drug.

Rules and Regulations

CLAIMS SUBMISSION

OBTAINING A REIMBURSEMENT FROM YOUR HEALTH REIMBURSEMENT ARRANGEMENT

To obtain a reimbursement from your Health Reimbursement Arrangement, you must complete a Claim Form. This form is available from your employer (See sample Claim Form in back of handbook). You must attach a receipt or bill **from the service provider** which includes all the pertinent information regarding the expense:

- Date of service
- Patient's name
- Amount charged
- Provider's name
- Nature of the expense
- Amount covered by insurance (if applicable)

Cash register receipts, credit card receipts and canceled checks alone are not eligible forms of documentation for medical expenses. These items are not considered third party receipts because they only reflect that payment has been made and do not provide the required information listed above. Prescription documentation must include the **name or number** of the prescribed medication.

OBTAINING A REIMBURSEMENT FOR OVER-THE-COUNTER ITEMS

For the purchase of over-the-counter medications, with a prescription, cash register receipts will be accepted as documentation if the receipt is detailed and indicates the name of the service provider, the date of the purchase, the amount of the purchase and the name of the product purchased. You must also send in a copy of the prescription or letter of medical necessity signed by a physician, along with your claim form. If the receipt does not specifically reflect the name of the product we cannot accept the claim for reimbursement of that item. The name of the patient does not have to be on the receipt, however, the name of the patient must be listed on the claim form.

NOTE: In order to be eligible for reimbursement through the Health Reimbursement Arrangement, the medical expense must be incurred during the Plan Year. IRS defines "incurred" as when the medical care is provided (or date of service), not when you are formally billed, charged for, or pay for the care.

FOR EXAMPLE: If you go to the doctor on June 26th and your Plan Year begins on July 1st, this expense is not eligible in the new Plan Year. Even if you pay for this expense after July 1st, the "date of service" was before the Plan Year began and therefore is not eligible.

Rules and Regulations (continued)

GRACE PERIOD FOR FILING CLAIMS

For the HRA, you have the entire plan year plus 365 days to file all claims that were incurred during the plan year. All claims must be received in the office of Flexible Benefit Administrators, Inc. by 5:00 p.m. on the 365th day, following the end of your Plan Year. If claims are not received during this time frame for expenses incurred during the plan year, your remaining funds will be forfeited.

ACCOUNT BALANCES

You may call Flexible Benefit Administrators, Inc. at (757) 340-4567 or (800) 437-FLEX from 8:30am to 5:00pm, Monday through Friday, to check your account balances. You may also access your personal account information at your convenience via our secure website, www.mywealthcareonline.com/fba. Each reimbursement check stub will show your contributions, request for reimbursements, and disbursements for each account. It will also show your annual election and the balance to request by the end of the Plan Year for each account.

MONTGOMERY COUNTY

HEALTH REIMBURSEMENT ARRANGEMENT CLAIM FORM

Employee's name _____ SS# _____

HEALTH CARE EXPENSES _____ I, the participant, hereby file claim for the medical expense(s) noted below and certify that each expense was incurred on the date and for the person and reason noted. The expense(s) listed below was incurred for medical care not general health purposes and exclude cosmetic and/or toiletries expense(s). I, the participant, certify that I have not been reimbursed for the expense(s) noted below and that I will not seek reimbursement under any other plan covering health benefits. **Attached are receipts or bills as evidence of my expenses incurred during the Plan Year.**

** Please note: A doctor's note must be attached if considered a "dual purpose" drug.

*** If you are a participant in the company's HSA you will ONLY be reimbursed for qualifying expenses related to Dental, Vision and Preventive Care.**

Date of treatment	Person treated and relationship	Type of eligible expense	Amount of expense
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	TOTAL	\$ _____

I authorize the service provider to release any information requested by the Plan Administrator in connection with this request for reimbursement.

EMPLOYEE'S SIGNATURE _____
DATE

<p style="text-align: center;">Mail This Claim Form To: Flexible Benefit Administrators, Inc. P.O. Box 8188, Virginia Beach, VA, 23450</p>	<p style="text-align: center;">Fax Claim Form To: (Please include cover sheet) Flexible Benefit Administrators, Inc. Fax Number: 757-431-1155</p>
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Scan and Email This Claim Form To:
Flexible Benefit Administrators, Inc.
FlexDivision@flex-admin.com

Please:

- Do Not mail your claim form**
- Keep a copy of all claim forms and receipts for your records.**
- Notify Flexible Benefit Administrators, Inc. if you have a change in address.**

if you fax it.

ADMINISTERED BY

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