AmeriFlex Flexible Spending Accounts

Plan Year: January 1, 2016 to December 31, 2016
Medical Reimbursement Plan Maximum: $2,550
Dependent Care Reimbursement Plan Maximum: $5,000
Run Off Period: 90 days following the end of the plan year to file for services rendered during the plan year.
Waiting Period: New hires will be eligible to participate at the annual open enrollment following their hire date.

- Be advised that recent Senate legislation has stated that effective January 1, 2011, participants are required to have a prescription for Over-the-Counter ("OTC") products to be eligible under their FSA plan. Therefore a prescription or letter of medical necessity would be required after January 1, 2011 for OTC items.

How the AmeriFlex Plan Works
If you participate, you will elect to have a specific amount of pre-taxed money deducted from you paycheck each pay period. These dollars are subtracted from your gross earnings before taxes and put into a Flexible Spending Account to cover eligible out-of-pocket cost. Once you submit a claim for a qualified expenses, you will be reimbursed from this account.

- Lower your taxable income, pay less tax, increase your take-home pay.
- Participation is the equivalent to getting a raise.

The following table illustrates how you save by participating in a FSA:

<table>
<thead>
<tr>
<th>Without This Plan</th>
<th>With This Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross pay (annual)</td>
<td>$30,000</td>
</tr>
<tr>
<td>Tax deductions (@25%)</td>
<td>- $7,500</td>
</tr>
<tr>
<td>Take-home pay</td>
<td>$22,500</td>
</tr>
<tr>
<td>Eligible expenses</td>
<td>- $1,000</td>
</tr>
<tr>
<td>New take-home pay</td>
<td>$21,500</td>
</tr>
<tr>
<td><strong>Result = (increased take-home pay)</strong></td>
<td><strong>$250</strong></td>
</tr>
</tbody>
</table>

Eligible Expenses
Medical Spending Account Eligible Expenses
A medical FSA is used to pay for healthcare expense not covered under you medical or other insurance plan. The IRS determines eligible expenses. IRS-qualified expenses may include:
- Co-pays, deductibles, and other payments you are responsible for under your medical plan
- Charges that may not be covered by your medical plan such as:
  - Routine exams
  - Dental care
  - Orthodontia
  - Eyecare; Lasik, glasses, contact lenses
- Hearing aids
- Well-baby care

• Miscellaneous expenses such as:
  - Many over-the-counter drugs; e.g., pain relief, sleep aids, allergy treatments
  - Transportation, tolls, and parking to receive medical care
  - Individual psychiatric or psychological counseling
  - Diabetic equipment and supplies
  - Durable medical equipment
  - Qualified medical products or services prescribed by a doctor

Some examples of ineligible expenses include insurance premiums, teeth whitening, prescription drugs for male pattern baldness, and most cosmetic procedures. A more comprehensive list of eligible medical and over-the-counter expenses is available on the AmeriFlex website. You can also refer to IRS Publication 502 for the complete list of medical expenses for reimbursement.

**Dependent Day Care Spending Account Eligible Expenses**

With a Dependent Day Care Account, you can set aside pre-tax payroll deductions to reimburse the expenses associated with day care for your qualified dependents. Eligible expenses must meet the following qualifications:

• The care of the dependent must enable you and your spouse to be employed
• The amount to be reimbursed must not be greater than your spouse’s income or your income, whichever is less
• The child must be under 13 years old and must be your dependent under federal tax rules
• The services may be provided in your home or another location, but not by someone who is your minor child or dependent for income tax purposes (e.g., an older child)
• If the services are provided by a day care facility that cares for six or more children simultaneously, the facility must comply with state and local day care regulations
• Services must be for the physical care of the child, not for education, meals, etc.

Qualified dependent care expenses also include cost for the care of a spouse or dependent who is incapable of self-care, regularly spends at least eight hours per day in your home, has gross income below the exemption amount in IRS Code 151, is dependent on you for over half of their support, and is not anyone else’s qualifying child (e.g., an invalid parent). The same rules that apply for child care apply to the care of other dependents, except the dependents need not be under age 13.

For more details on dependents day care eligible expenses, reference IRS Publication 503 - Child and Dependent Care Expenses, available on the AmeriFlex website.

**Funding Your Account**

The maximum amount you can contribute to your FSA depends on the type of account you select. Your employer determines the maximum annual election for your Medical Flexible Spending Account while the government sets the maximum amount for your Dependent Day Care Spending Account.
Determining Account Contributions

- Medical: Your employer determines the maximum allowable contribution for your Medical Flexible Spending Account. Within that maximum, you determine your contribution for yourself and your eligible dependents based on expenses you expect to incur in the upcoming plan year. Your annual contribution is then divided by your number of pay periods, and that amount will be deducted pre-tax each pay period.

- Dependent Day Care: The IRS has set the maximum allowable contribution per calendar year for a Dependent Day Care Spending Account as follows:
  - $5,000 for a married couple filing jointly
  - $5,000 for a single parent
  - $2,500 for a married person filing separately

The Use-It-or-Lose-It Rule

If you contribute dollars to a reimbursement account and do not use all the money you deposit, you will lose any remaining balance in the account at the end of the eligible claims period. A very important thing to remember is that the rule exists because the IRS has established strict guidelines for plans with tax advantages.

Claims Process

To be reimbursed for any expense, you must first file a claim. You can file a claim in two ways, either manually or electronically. To file a claim manually, simply complete a claim form and mail or fax it to AmeriFlex along with substantiation of the claim. Acceptable forms of substantiation include itemized receipts and the Explanation of Benefits (EOB) from your insurance carrier.

Information required on all claim request include: the date of service, the product or service description drug names and numbers, the total dollar amount being requested, the service providers name, and, in the case of dependent day care request, the provider’s signature and tax ID or Social Security number.

When you submit a claim by fax or mail, your reimbursement will either be mailed or direct-deposited into your bank account, whichever you prefer. To eliminate the hassle of paper, faxing, and the time delays of mailing, simply use your AmeriFlex Convenience Card.

The AmeriFlex Convenience Card

The AmeriFlex Convenience Card is a MasterCard debit card providing electronic access to your FSA funds. The card provides the convenience of a single debit card with access to all your accounts.

Your AmeriFlex Convenience Card gives you easy access to the funds in your Flexible Spending Account(s). It works just like any other debit card, but with three important differences:

- First, its use is limited to specific merchants* and to expenses deemed eligible by your plan
- Second, you cannot use it at an ATM or to obtain “cash back” when making a purchase
- Third, you are not given a PIN with this. Should a merchant or provider ask you for a PIN, simply explain that this card does not require one. If given the option between debit and credit at the terminal, choose credit
*Every merchant that accepts MasterCard is assigned an MCC Code based on their type of business. Only a limited number of these codes apply to merchants providing products or services eligible for FSAs. Use of the AmeriFlex Convenience Card is limited to the day care providers; medical care providers such as hospitals, doctor’s offices, optometrist, dentists, orthodontist, pharmacies, or other merchants providing prescription and over-the-counter eligible products; and CRA merchants such as parking garages or metro-card machines. In other words, your card cannot be used at non-qualified businesses such as gas stations, retailers, convenience stores, etc. For example: bandages are an eligible expense in your Medical Flexible Spending account; however, you cannot purchase bandages at your local convenience store because that type of business does not have an eligible MCC code. You would need to purchase your bandages at your local pharmacy or other qualifying business to use the card. However, under new regulations, if the merchant has an IRS approved inventory management system that provides SKU level data on the item, it can automatically determine if an expense is eligible, eliminating the MCC code restriction. Check with your local retailer to find out if they already have or may be adding this system.

Your Card Account Balances and Transaction Receipts

• What if there’s not enough money in my account?
  If you charge more than the available balance in your account, the transaction will be declined. You can find your balance online at www.myameriflex.com or by calling the AmeriFlex Interactive Voice Response System, which is available 24/7. Review your account balance to avoid declined charges.

• Do I need the receipts?
  Possibly, so please save all of your itemized receipts for certain expenses, AmeriFlex may need additional information, including receipts, to verify eligibility of the expenses and to comply with IRS rules. That’s why it’s important for you to save all your receipts, then fax or mail them promptly if requested. Failure to comply could jeopardize the tax-exempt status of your account and cause the card to be deactivated

FSA Election Changes

What if I want to make a change to my FSA Election?

The latest set of cafeteria plan regulations develops a process for determining if a participant is allowed to make a change in election during the plan year. A change in status must have occurred and that event must fall into one of the following categories:

• Changes in provider (Dependent Day Care only)
• Changes in cost of day care (Dependent Day Care only
• Changes in legal marital status
• Changes in number of dependents
• Changes in employment status
• Changes in work schedule (increase or decrease in hours)
• Dependent satisfies (or ceases to satisfy) requirements for eligibility

The election change must be consistent with the status-change event. A change is consistent with the event for Medical Flexible Spending accounts if the following occurs:

• The employee, spouse, or dependent is gaining or losing eligibility for health coverage
• The election change corresponds with that gain or loss of coverage

Employee Termination/Claims Procedures

AmeriFlex will deactivate the terminated employee’s AmeriFlex Convenience Card on the Date of Termination listed above. Claims may be incurred up the Date of Termination. However, the IRS defines “participation” as “making pre-tax contributions to the plan,” therefore if the employee’s last payroll deduction occurs
after their Date of Termination, they may continue to incur claim through the date
of their last payroll deduction. Those claims must be submitted for processing on a
Manual Claim Form and can be submitted for a period of 90 days from the date of
last payroll deduction or through the end of the eligible claims period (as defined in
the Summary Plan Description), whichever occurs first.

**Tax Implications**
Will pre-taxing have an Impact on Social Security benefits?
Reductions in your taxable pay may lead to a reduction in Social Security benefits;
however, for most employees, the reduction in Social Security benefits is insignificant
when compared to the value of paying lower taxes now.

**Dependent Day Care**
On your tax return you must report the correct name, address, and taxpayer
identification number (TIN) of your dependent care provider. If your dependent care
provider is exempt from federal income taxation, you are not required to report the
TIN; however, you must report the correct name and address of the exempt provider
and write “tax exempt” in the space provided for the TIN.

**Tax Credits vs. Dependent Care Spending Accounts**
If you participate in a Dependent Care Spending Account, you cannot claim credits
on your income tax return for the same expenses. Also, any amount reimbursed
under this plan will reduce the amount of other dependent care expenses that you
can claim for purposes of tax credits. Before you enroll in a Dependent Day Care
Account, evaluate whether the federal income tax credit or the Dependent Care
Spending Account is best for you. Refer to the following federal tax forms and
publications for more information (available at www.irs.gov):

- Form 2441 (Child and Dependent Care Expense);
- Form 1040 Schedule EIC and IRS Publication 596 (Earned Income Credit);
- Form 8812 and IRS Publication 972 (Child Tax Credit);
- Frequently Asked Questions

**List of Eligible Expenses**
1. **Abortion/Yes**: Fees paid to obtain a legal abortion are medical expenses;
2. **Acupuncture/Yes**: Fees paid for acupuncture are eligible medical expenses;
3. **Adoption/Maybe**: You can include medical expenses you paid for your child
   before adoption, if the child qualified as your dependent when the services
   were rendered. Fees for medical expenses or any fees relating to the adoption
   process incurred prior to the beginning of adoption negotiations are not eligible.
   Medical expenses associated with an adopted baby’s birth incurred by the birth
   mother are also not eligible;
4. **Air Conditioning, Air Purifier, Humidifier/Maybe**: The cost of an air
   conditioner recommended by a physician as treatment for a specific medical
   condition is an eligible expense. If the value of the home increases then
   these amounts are not reimbursable;
5. **Alcoholism Treatment/Yes**: Payments to a treatment center for alcohol or
   drug addiction are eligible medical expenses. This includes meals and lodging
   provided by the center during medical treatment. You may include transportation
   cost incurred to attend Alcoholic Anonymous (AA) meeting recommended by
   the attending physician, when submitted with supporting documentation;
6. **Ambulance/Yes**: Fees submitted for ambulance service are covered;
7. **Anesthesiology/Yes**: Fees for anesthesiology are covered;
8. **Arch Support/Maybe**: Qualifies as a medical expense only if prescribed by a physician as a treatment and when submitted with documentation supporting a specific medical condition;
9. **Artificial Insemination/Yes**: See fertility
10. **Artificial Limb/Yes**: Expenses for the purchase of an artificial limb qualify as medical expenses;
11. **Artificial Teeth/Yes**: You can include in medical expenses the amount you pay for artificial teeth;
12. **Asthma Equipment/Yes**: Nebulizers or peak flow meters prescribed for treatment of asthma are eligible expenses;
13. **Birth Control/Yes**: Expenses associated with the purchase of birth control purchased over the counter or prescribed by a doctor are eligible expenses (e.g., IUD, diaphragm, Norplant, condoms);
14. **Birth Coach/No**: Expenses associated with a birth assistant/coach for women in labor are not considered eligible medical expenses;
15. **Bleaching of Teeth/No**: Bleaching of teeth is not an eligible medical expense;
16. **Blood donation/Yes**: Expenses associated with blood donation qualify as medical expenses;
17. **Braille Books/Magazines/Yes**: The cost of braille books and magazines for use by visually impaired persons qualifies as a medical expense. Eligible expense include only the amounts over the cost of the products in its standard form;
18. **Breast Augmentation/No**: Expenses related to breast augmentation (such as implants or injections) are not reimbursable because the procedure is considered cosmetic in nature;
19. **Breast Implant Removal/Maybe**: The removal of breast implant that are defective or are causing a medical problem are reimbursable;
20. **Breast Pump (purchase or rental)/Maybe**: The cost of a breast pump is considered a medical expense if the pump needs to be used to treat a medical condition;
21. **Breast Reduction/Maybe**: Medical expenses related to breast reduction surgery are reimbursable only if the physician substantiates that the procedure is medically necessary, i.e., to prevent or treat an illness or disease;
22. **Capital Expenses/Maybe**: Amounts paid for special equipment to be installed in your home for improvement qualify as medical expenses if there is documentation from a physician that the equipment is mainly needed for or as a result of a specific medical condition. If the capital expenditure increases the value of the property, excess value is not reimbursable. Improvements made to accommodate a residence for a person’s disability do not usually increase the value of the residence, and the full cost is usually reimbursable. Only reasonable cost to accommodate a personal residence for a disabled condition are considered medical care. Additional cost for personal motives, such as for architectural or aesthetic reasons, are not reimbursable;
23. **Car Modification/Maybe**: Special hand controls and other special equipment installed in a car for use by a disabled person qualify as medical expenses;
24. **Childbirth Classes (Lamaze)/Maybe**: Some of the expenses may qualify; Expenses for instructions relating to the birth of the child are eligible for the mother to be. Fees for instructions in topics such as newborn care are not
eligible. Expenses for the coach or significant other do not qualify;

25. **Chiroprody/Yes**: Fees paid to a chiropodist (chiropractic foot doctor) for medical care are eligible expenses;

26. **Chiropractors/Yes**: Fees paid to chiropractor are eligible;

27. **Christian Science Practitioner/Maybe**: Fees paid to a Christian Science Practitioner are eligible expenses when treatment is rendered for a specific medical condition;

28. **Circumcision/Yes**: Circumcision is a covered medical expense. This procedure is also covered if performed in the member’s home by a rabbi;

29. **COBRA Premiums/No**: Premiums paid for COBRA benefits are not a covered expense;

30. **Collagen Injections/Maybe**: Collagen injections are considered to be cosmetic, however, may be covered if medically necessary (e.g., for treatment of severe acne);

31. **Contact Lenses, Solutions, Supplies, and Warranties/Yes**: Expenses, including shipping and handling incurred for the purchase of contact lenses, qualify if the contact lenses are need for medical reasons. Amounts paid for contact lens solutions and supplies qualify as medical expenses. Fees paid for eye exams are also eligible;

32. **Copays/Coinsurance/Yes**: A copay or coinsurance fee qualifies as a medical expense;

33. **Cosmetic Treatment/Maybe**: Generally, medical expenses paid for unnecessary, i.e., elective, cosmetic treatment are not covered. (This applies to any procedure that is directed at improving the patient appearance and that does not meaningfully promote the proper function of the body or prevent or treat an illness or disease.) Examples if non-covered cosmetic surgery procedures include breast augmentation, chemical electrolysis, face lift, hair transplant, liposuction, and tattoo removal. Expenses incurred for cosmetic surgery necessary to improve a deformity arising from or directly related to a congenital abnormality, a personal injury or a disfiguring disease qualifies as eligible medical expenses;

34. **Counseling/Maybe**: Amounts paid for counseling which is medically necessary to treat a specific medical or mental illness is covered. Marriage counseling and Family counseling are not covered expenses;

35. **CPR Classes/No**: CPR classes are not considered “medically necessary”; therefore, the expense is not reimbursable under FSA;

36. **Dancing Lessons/Maybe**: Amounts paid for dancing lessons do not normally qualify as medical expense. But the expense may qualify if recommended to treat a specific medical condition (such as part of a rehabilitation program after surgery);

37. **Deductible/Yes**: Deductible qualify as medical expenses;

38. **Dental Treatment/Yes**: Amounts paid for dental treatments qualify as medical expenses. This includes fees paid to dentist for X-rays, fillings, braces, extractions, dentures, caps, crowns, fluoride treatments, implants, etc. In addition, the installation and monthly rental charges for fluoride treatments to home water qualify as medical expenses when prescribed by a physician or dentist. However, the amount should be limited to the cost allocable to the current plan year;

39. **Denturist/Yes**: Fees paid to a denturist qualify as health care expenses when
services are for the treatment of a specific medical condition;

40. **Dermatology/Yes:** Fees paid to a dermatologist for medical care qualify as medical expenses;

41. **Diabetic Equipment and Supplies/Yes:** Medical expenses may include amounts paid for the following equipment and supplies for treatment of diabetes; glucose monitor, urine/blood test strips, insulin, and syringes and alcohol swabs.

42. **Diagnostic Services/Yes:** Fees paid for diagnostic services, as prescribed by a physician, are eligible medical expenses.

43. **Diapers - Diaper services/Maybe:** Amounts paid for adult diapers or a diaper service, qualify as a medical expense if prescribed by a physician to relieve the effects of a specific medical condition. Diaper expenses for handicapped individuals beyond infancy are also covered.

44. **Dietitian/Maybe:** Fees paid to a dietitian are eligible when referred by a physician for treatment of a specific medical condition.

45. **DNA Testing/No:** DNA testing for paternal responsibility is not considered an eligible expense.

46. **Domestic Partners/Maybe:** Medical expense incurred by domestic partners are usually not eligible for reimbursement from an FSA. Members should consult with their plan sponsors on domestic partner coverage.

47. **Drug Addiction - See Alcoholism**

48. **Durable Medical Equipment (DME)/Yes:** The cost associated with the purchase or rental of durable medical equipment that is prescribed by a medical practitioner to alleviate or treat a specific medical condition qualifies as an eligible expense. Cost can include: bed wetting alarm, blood pressure kit, chair*, crutches, hearing aids, medical alert equipment, and oral hygiene equipment.

*Reimbursement is only for the amount that exceeds the cost of a similar or regular product. Letter of medical necessity only needed for items that have a dual purpose (e.g. chair, sheets, oral hygiene equipment).

49. **Ear Piercing/No:** Expenses associated with ear or body piercing are not eligible medical expenses.

50. **Educational Classes/No:** Educational classes are not eligible medical expenses (care for a newborn, breast feed, cope with diabetes, etc.).

51. **Electrolysis/No:** See Cosmetic Treatment

52. **Eyeglasses/Supplies (e.g. storage case, replacement cost), Warranties/Yes:** Amounts paid for prescription vision/sports eyewear, supplies (i.e. eyeglasses, goggles, sunglasses) for a medical condition qualify as a medical expense. Fee paid for eye exams are also eligible. Tinting of prescription eyewear qualifies as an eligible medical expense.

53. **Exercise Equipment/Maybe:** Exercise equipment may be covered when prescribed by a physician as treatment for a specific medical condition. Exercise equipment used for improvement of general health is not covered.

54. **Fertility/Yes:** Medical expenses associated with the treatment of infertility, including shots, in vitro fertilization and artificial insemination incurred by the member, are reimbursable. Semen and embryo storage associated with an active attempt to conceive are also eligible for reimbursement. Note: donor expenses incurred by the member (egg donation, sperm donation) are eligible during active treatment only, if expenses are not covered by a medical plan. The cost of an ovulation kit qualifies as an eligible medical expense.

55. **Flu Shot/Yes:** Flu shots are eligible medical expenses.
56. **Guide Dog or Animal/Yes**: The cost of a guide dog or other animal to be used by the visually impaired or hearing impaired qualifies as a medical expenses. The cost of a dog or other animal trained to assist persons with other disabilities can also be covered. Amounts paid for the care of these specially trained animals are also available.

57. **Gynecologist/Yes**: Fees paid to a gynecologist for medical care are eligible medical expenses.

58. **Health Club/Maybe**: Dues paid to a health club, YMCA, YWCA or spas are allowable when the member submits documentation from the attending physician stating that the membership expenses are for treatment of a specific medical condition. Reimbursement should be only for the individual membership and for the component that is related to a single year. Any dues that carry over to a subsequent year would violate this IRS rule of constructive receipt. Health club dues, YMCA/YWCA dues or amounts paid for steam baths for your general health or to relieve physical or mental discomfort not related to a particular medical condition are not eligible medical expenses.

59. **Health Screenings/Yes**: See Diagnostic Services

60. **Holistic-Homeopathy Practitioner/Maybe**: Fees paid to a holistic or homeopathy doctor are eligible when treatment is provided for a specific medical condition.

61. **Hospital Services/Yes**: Amounts paid for hospital services that are not covered under a medical plan qualify as medical expenses (e.g., upgrade from semi-private to private room, fees charged for parents to stay with a child, etc.). (also see Lodging/Trips)

62. **Human Guide/Yes**: Expenses for a human guide - to take a blind child to school for example - are reimbursable.

63. **Hypnosis/Maybe**: Hypnosis is considered a medical expense when it is prescribed by a physician as treatment for a specific medical or mental condition.

64. **Insurance Premiums/No**: Amounts paid as premiums to purchase health care coverage are not eligible medical expenses. This includes COBRA, Medicare A&B premiums.

65. **Laboratory Fees/Yes**: Amounts paid for laboratory fees that are part of your medical care are eligible expenses.

66. **LASIK Eye Surgery/Yes**: Expenses associated with LASIK/PRK or radical keratotomy surgery to correct impaired vision are eligible.

67. **Late Fees Payments/No**: Late fees associated with payment of medical expenses are not eligible.

68. **Lead Paint/Asbestos Removal/Maybe**: Cost of removing lead-based paints/asbestos from surfaces in a home to prevent a child who has (or has had) lead poisoning from eating the paint are eligible expenses. The cost of repainting is not reimbursable.

69. **Learning Disability - See Schools, Special**

70. **Legal Fees/Maybe**: Legal fees may qualify as medical care if they bear a direct or proximate relationship to the provision of medical care to you, your spouse or your dependent.

71. **Lifetime Care Advance Payments/No**: Prepayments of life care fees or founders fees paid monthly or as lump sum under an agreement with a retirement home are not eligible expenses. These payments are considered premiums.
72. Lodging - Trips/Maybe: The cost of meals and lodging at a hospital or similar institution qualify as medical expenses if the main reason for being there is to receive medical care. Expenses incurred for transportation to another city are eligible health care expenses if the trip is primarily for and essential to receiving medical services. You may also be able to include up to $50 (refer to IRS Publication 502) per person, per night for lodging. You cannot include in medical expenses amounts you pay for a trip or vacation taken for a change in environment, improvement of morale or general improvement of health, even if a doctor recommends the trip.

73. Marijuana/No: Expenses associated with marijuana when purchased or used under state laws for treatment of a medical condition are not eligible for reimbursement. This drug remains illegal under federal law and does not qualify as a Sect. 13 medical expense.

74. Massage Therapy/Maybe: Massage therapy is covered if the member submits documentation from a physician confirming that massage therapy is prescribed as treatment of a specific medical condition. The physical should also include the frequency and duration of the therapy. Massage therapy for general health does not qualify as a medical expense.

75. Maternity Charges/Yes: Amounts paid to physicians for delivery charges qualify as eligible expenses.

76. Maternity Clothes/No: The cost of maternity clothing is not an eligible expense.

77. Mattresses/Maybe: Amounts paid for a mattress or special bedding for a person with documentation supporting a medical condition is a medical expense, but only for the amount that exceeds the cost of similar regular bedding. Proof of the cost of regular bedding is necessary to pay the expense.

78. Meals/Maybe: Meals associated with inpatient medical care are eligible expenses.

79. Medical Plan Information/Yes: Payments for services to keep your medical information so that it can be retrieved from a computer data bank are an eligible medical expense. Fee associated with copying medical records are also eligible.

80. Medical Services/Yes: Eligible medical expenses for treatment of specific medical conditions include fees paid to Doctors, Surgeons, Specialist, or other medical practitioners.

81. Medicines/Yes: Eligible medical expenses include amounts paid for prescribed medicines and drugs. A prescribed drug is one that requires a written order by a medical practitioner and is dispensed through a pharmacy for its use by an individual. You may include expenses you pay for delivery charges, postage and handling of mail-order prescribed drugs. Also see Over-the-Counter Drugs section.

82. Mentally Retarded (Special Home For)/Maybe: Expenses associated with keeping a mentally retarded in a special home (not the home of a relative) on the recommendation of a psychiatrist to help the person adjust to life in a mental hospital to community living is an eligible expense.

83. Mouth Guards/Yes: Occlusal guards prescribed by a dentist to prevent a person from grinding his/her teeth at night are eligible expenses.

84. Neurologist Fees/Yes: Fees paid to a neurologist for treatment of a specific condition qualify as medical care and are eligible for reimbursement.

85. Nursing Home/Maybe: Medical expense associated with the cost of medical care provided in a nursing home or home for the aged for an employee, spouse or dependent are eligible for reimbursement (i.e., with a bill from a provider
or facility for medical services). This includes the cost of meals and lodging in
the home of the main reason for being there is to receive medical care. Non-
medical expenses are not eligible.

86. **Nursing Services/Yes:** Wages and other amounts paid for nursing services
are eligible medical expenses. This includes services connected with caring for
the patient’s condition, such as dispensing medications changing dressings,
bathing and grooming the patient. Only the amount spent for nursing services
is a medical expense. If the attendant also provides personal and household
services, these amounts must be divided up between the times spent
performing household and personal services and the time spent for nursing
services. However certain expenses for household services or for the care of a
qualifying individual incurred to allow an employee to work may qualify for the
child and dependent care credit. See Publication 503, Child and Dependent
Care Expense.

87. **Nutritional Supplements/ Maybe:** Special foods or nutritional supplements are
only covered if there is supporting documentation from a physician that they
were prescribed as treatment for a specific medical condition.

88. **Optometrist/Yes:** See Contact Lenses & Eye Glasses

89. **Organ Donor/Yes:** Donor’s expenses that are paid by the FSA enrollee are
eligible for reimbursement.

90. **Orthodontia/Yes:** Out-of-Pocket orthodontia expenses are eligible for
reimbursement. AmeriFlex’s policy is to reimburse only the prepaid amount
corresponding to the member’s current enrolled plan year. Prepaid expenses are
subject to proof of payment (i.e., cancelled check, bill from provider indicating
payments or credit card receipts). You will also be required to initially submit a
copy of the orthodontia treatment contract.

91. **Orthopedic Shoes/Yes:** Amounts paid for special shoes are eligible medical
expenses, but for the amount that exceeds the cost of regular footwear.

92. **Oxygen/Yes:** Amounts paid for oxygen or oxygen equipment to relieve breathing
problems caused by a medical condition is eligible.

93. **Parking** - See transportation

94. **Personal Trainers/ Maybe:** Fees paid to personal trainers are eligible for
reimbursement if recommended by a medical practitioner to treat a specific
medical condition. The use of personal trainers for improvement of general
health is not covered.

95. **Personal Use Items/ Maybe:** Personal use items used primarily to prevent or
alleviate physical or mental defect or illness are an eligible medical expense
when accompanied with documentation supporting a specific medical condition.
For example, the full cost of a wig purchased upon advice of a physician for
the mental health of a patient who has lost all of his/her hair from disease, can
be included as medical expenses.

96. **Physical Exam for Caregiver/No:** Expenses for a physical exam for a potential
caregiver are not expenses for the care of a qualifying individual, nor do they
fit into the definition of a household expense.

97. **Physical Therapy/Yes:** Physical therapy is covered only if the member submits
documentation from a physician confirming that physical therapy is prescribed
as treatment for a specific medical condition. The physician should also include
the frequency and duration of the therapy.

98. **Prescription Drugs/Yes:** See Medicines

99. **Prosthesis/Yes:** See Artificial Limb
100. Psychiatric / Yes: Amounts paid for psychiatric care are eligible for reimbursement. This includes fees associated with the care of a qualifying individual in a specially equipped medical center where the dependent receives medical care when prescribed by a physician.


102. Psychologist / Yes: Fees paid to a psychologist for medical care are eligible medical expenses when submitted with documentation supporting a specific medical condition.

103. Reasonable & Customary / Yes: Amounts that exceed Reasonable & Customary fees qualify as medical expenses.

104. Schools, Special / Maybe: Payments to a special school for a mentally impaired or physically disabled person qualify as eligible health care expenses if the main reason for using the school is relieving the disability. Cost can include: teaching Braille to a visually impaired child, teaching lip reading to a hearing impaired child, giving remedial language training to correct a condition caused by a birth defect. The cost of meals, lodging and ordinary education supplied by a special school can be covered medical expenses only if the main reason for the child being there is the resources the school has for relieving the mental or physical disability.

105. Smoking Cessation Program / Yes: Expenses associated with the cost of a stop-smoking program are eligible health care expenses and do not require letter of medical necessity.

106. Speech Therapy / Yes: Expenses associated with speech therapy are eligible when prescribed as treatment for medical condition (e.g., autism or dyslexia).

107. Sperm Storage / Maybe: Fees paid for storage of sperm for treatment of infertility are eligible health care expenses. Storage fees paid for non-medical reason are ineligible.

108. Stem Cell Storage / Maybe: This expense is reimbursable if used in treatment of a specific medical condition. The cost to collect, freeze and store stem cells would also be eligible as long as a specific medical condition is present. The amount that is not covered under regular medical coverage would be a reimbursable expense.

109. Sterilization / Yes: The cost of obtaining a legal sterilization or to reverse sterilization is an eligible health care expense.

110. Substance Abuse - See Alcoholism

111. Sunglasses / Maybe: The cost of prescription sunglasses are allowable.

112. Surrogate Mother / Maybe: Flexible Spending Account members who fulfill the role of surrogate mother may submit for reimbursement for qualified medical expenses incurred that is not covered by insurance. Medical expenses incurred by a third party, i.e., a surrogate mother, are not considered eligible expenses. Fees paid to an agency to search for a surrogate mother are not considered eligible for reimbursement.

113. Swim Therapy / Maybe: Expenses associated with swim therapy or a swim club membership when prescribed be a medical practitioner as treatment for a specific medical condition (e.g., rheumatoid arthritis) are eligible health care expenses. Swim lessons to learn fundamentals of swimming are not eligible health care expenses.
114. Taxes/Yes: Taxes incurred for medical services or products qualify as eligible health care expenses (e.g., sales tax and state hospital bill surcharges).

115. Telephone/Maybe: Expenses associated with enhancing a telephone to accommodate a deaf person or person with disabilities are eligible health care expenses.

116. Telephone Consultation (Physician's Fees)/Yes: Fees charged by physicians for telephone consultation are eligible health care expenses. The phone charge is also an eligible expense.

117. Television/Maybe: Expenses associated with the cost of modifying a television to assist a handicapped person are eligible health care expenses. Cost may include an adapter that attaches to a regular television. It may also include the cost of a specifically equipped television. Eligible reimbursement is the cost associated with the specialization over the cost of a similar standard model.

118. Transplants/Yes: See Organ Donor

119. Transportation/Maybe: Amounts paid for transportation primarily for, and essential to, medical care qualities as medical expenses when submitted with documentation supporting a specific medical condition. Included are: ambulance services, buses, car rentals, parking fees, plane fare, taxis, tolls, and personal care - (.20 a mile) effective calendar year 1/1/07. Transportation expenses can be covered for a nurse who provides medical services to the patient who is traveling to get medical care and is unable to travel alone. Transportation expenses to see a mentally ill dependent are covered, if the visits are recommended as part of the treatment. Commuting expenses for a physically disabled person are not covered. IRS Publication 502 indicates that transportation expenses to travel to another city will not qualify as an eligible expense when a member elects the destination.

120. Tuition/Maybe: Expenses charged for medical care included in the tuition of a college or private school are eligible health care if the charges are separately stated in the bill provided by the school. Medical coverage premiums attached to a college tuition or private school bill do not qualify as an eligible expense.

121. Tutoring/Maybe: Tutoring fees paid on a doctor’s recommendation for a child’s tutoring by a specialized teacher qualify as medical expenses with documentation supporting a specific medical condition.

122. Umbilical Cord Blood/Maybe: Expense is reimbursable if used in treatment of a medical condition. The amount not covered under regular medical coverage would be a reimbursable expense. The cost to collect, freeze and store umbilical cord blood would be eligible as long as a medical condition is present.

123. UVR Treatments/Yes: UVR treatments are eligible expenses when recommended by a physician for a medical condition. (e.g., chronic psoriasis)

124. Vaccinations/Yes: Amounts paid for vaccinations or immunizations against disease are eligible medical expenses.

125. Vasectomy/Yes: Medical expenses paid for a legal vasectomy are covered.

126. Varicose Vein Surgery/Maybe: Expenses associated with the removal of varicose veins prescribed by a doctor for the treatment of a specific medical condition are eligible health care expenses. Removal for cosmetic purposes is not an eligible expense.

127. Weight Loss Drugs/Maybe: Weight loss drugs prescribed by a physician to treat a medical condition (e.g., morbid obesity, hypertension) are eligible for reimbursement. Weight loss drugs associated with general weight loss are not eligible for reimbursement.
128. **Weight Loss Programs/Maybe**: Medical expenses paid for a weight loss program prescribed by a doctor for treatment of a specific medical condition (e.g., high blood pressure, heart disease) are covered. Reimbursement should be only for the component that is related to a single calendar year. The member should submit documentation from the attending physician prescribing the weight loss program confirming that it was medically necessary for a specific medical condition and not for general health enhancement.

129. **X-rays/Yes**: X-ray fees associated with medical care qualify as eligible health care expenses.

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