

# Qualified Expenses and Premiums



The below list of qualified expenses and premiums is not a complete list, but it does contain many examples of the types of expenses and premiums eligible for reimbursement from your HRA VEBA account. The most common include co-pays, coinsurance, deductibles, retiree insurance premiums (including Medicare Part B and Part D and Medicare supplement plans), and tax-qualified long-term care insurance premiums (subject to IRS limits).

Internal Revenue Code § 213(d) defines qualified expenses, in part, as “medical care” amounts paid for insurance or “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body...” Expenses solely for cosmetic reasons generally are not considered expenses for medical care (e.g. facelifts, hair transplants, hair removal (electrolysis)). Expenses that are merely beneficial to your general health, such as vacations, are not medical care expenses.

<p><b>GENERAL EXPENSES</b></p> <p>Acupuncture Alcoholism and drug treatment center costs Birth control pills Chiropractic Christian Science Contact lenses, solutions, etc. Co-pays Coinsurance Deductibles Dental Eye glasses Fertility treatments Gynecology/Obstetrics Hearing aids &amp; batteries Immunizations Laser eye surgery Lifetime care at medical facility Medical supplies and equipment Naturopathic</p>	<p>Organ transplants Orthodontia Osteopathy Physical therapy Prescription medicines Preventive care Psychiatric Retirement home (costs allocable to medical care) Stop smoking programs Transportation (subject to IRS limits) Vaccines Vasectomy Vision Wheelchair</p> <p><b>OVER-THE-COUNTER (OTC)</b></p> <p><b>Prescription required (medicines and drugs):</b> Acne medications Allergy medicines</p>	<p>Antacids Aspirin Cold medicines Cough suppressants Dietary supplements Eye products (e.g. Visine®) First aid creams/liquids Herbal medicines Nicotine gum/patches Pain relievers Sinus medications Sleeping aids St. John's Wort Weight loss drugs</p> <p><b>No prescription required (non-medicine items):</b> Bandages Crutches Insulin Diagnostic devices (e.g. blood sugar kits)</p>	<p><b>Items not eligible:</b> Cosmetics; face creams Medicated shampoos Tooth brushes (including electronic) Vitamins (most cases)</p> <p><b>INSURANCE PREMIUMS</b></p> <p>Medical Dental Vision Long-term care (tax-qualified; subject to IRS limits) Medicare Part B Medicare Part D Medicare supplement plans</p> <p><b>MEDICARE</b></p> <p>Co-pays Coinsurance Deductibles Home health care</p>	<p>Hospice care Hospital stay Outpatient hospital services Skilled nursing facility stay</p> <p><b>TRICARE (military retirees)</b></p> <p>Co-pays Coinsurance Deductibles Vision Miscellaneous Premiums: EXTRA Medicare Part B Medicare Part D PRIME (HMO) PRIME supplement Retiree dental Standard</p>
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**IMPORTANT NOTICE REGARDING OTC DRUGS AND MEDICINES:** To be eligible for reimbursement, federal healthcare reform requires that OTC medicines and drugs (except insulin) purchased on or after **January 1, 2011** be prescribed by a medical professional or accompanied by a note from a medical practitioner recommending the item or service to treat a specific medical condition. Thus, OTC medicines and drugs such as aspirin, antihistamines, and cough syrup must be prescribed. Eligible OTC medicines and drugs purchased on or before **December 31, 2010** remain reimbursable without a prescription. The prescription requirement applies only to medicines and drugs, not to other types of OTC items such as bandages and crutches.

A fully completed **Claim Form** along with proper documentation is required when requesting reimbursements. Claim Forms are available online at **hraveba.org** or by contacting the third-party administrator. Please read the **Guidelines for Submitting Claims** handout available online to learn more about your HRA VEBA plan's overall claims process, including IRS documentation requirements and standard claims processing turnaround times. The **Definition of Dependent** handout, also available online, describes who's covered under your HRA VEBA plan. Please note the following:

1. Qualified expenses and premiums you submit for reimbursement must be incurred after you become a claims-eligible participant.
2. If you are a participant in a Section 125 healthcare flexible spending account (FSA), you must exhaust your FSA benefits before submitting eligible claims.
3. Qualified insurance premiums are reimbursable beginning with the month in which you become a claims-eligible participant.
4. **IRS regulations provide that insurance premiums paid by an employer or deducted pre-tax through a Section 125 cafeteria plan, are not eligible for reimbursement.** When requesting reimbursement of premiums deducted from your paycheck, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available.
5. Systematic reimbursement of recurring qualified insurance premiums may be set up online after logging in to your account or by submitting a **Systematic Premium Reimbursement Form**.

**Questions?** Contact the HRA VEBA third-party administrator at **myHRAVEBA@meritain.com** or **1-888-659-8828**.