

Health Care Reimbursement Plan Frequently Asked Questions

Here are the most commonly asked questions regarding the Health Care Reimbursement Plan:

What is a Health Care Reimbursement Plan (HCRP)?

Through payroll deduction you can set aside money on a pre-tax basis to reimburse yourself for non-insured medical, dental, and vision expenses, such as your deductible and co-payment amounts under your insurance plan and any other non-insured medical expenses that can be itemized (with the exception of insurance premiums).

Each time you have a medical expense, simply submit the claim to your insurance company as usual. When the insurance company processes the claim, an Explanation of Benefits (EOB) will be returned to you. Send to Flex Corp a copy of the EOB along with a completed request for reimbursement form. Flex Corp will process the receipts and a reimbursement check will be sent to your home.



May I use the Health Care Reimbursement Plan for expenses of my non-insured dependents?

Yes. Your dependents do not have to be covered under the company's medical, dental or vision plans to participate in the Health Care Reimbursement Plan for eligible medical, dental, or vision expenses.

Is there a minimum or maximum I may contribute?

You may contribute as little as you feel is necessary to cover your non-insured medical, dental, and vision expenses, but no more than your specific plan permits.

Aside from insurance deductibles and co-payment amounts, what other types of expenses are reimbursable?

Generally speaking, any medical expenses which can be itemized as such for income tax purposes can be reimbursed under the HCRP. This could include such things as hearing aids and their batteries, saline solutions for contact lenses, travel expenses for specific medical conditions, prescription drug co-payments, insulin, orthodontic expenses (whether for a child or adult), etc. You can also be reimbursed for certain over-the-counter (OTC) drugs and medicines.

Are there any examples of medical expenses which are not reimbursable?

Yes. Most common are cosmetic surgery or cosmetic procedures. Examples of possible cosmetic procedures are teeth whitening and facelifts. Your physician will make the determination as to whether or not a procedure is cosmetic in nature. Some other examples are PPO discount amounts, any amount you are not obligated to pay, or amounts which have already been reimbursed to you from another source.

If I use the HCRP, can I still itemize medical expenses on my tax return?

Yes, but not on the same expenditures. For example, if you elect an annual benefit of \$100, and later incur \$2,000 in medical expenses (insurance pays nothing) and are reimbursed your annual election of \$100 from the HCRP, only the remaining \$1,900 can be used as expenses that can be itemized for income tax purposes.

How are orthodontic expenses handled?

Generally, when a patient needs braces the orthodontist will present you with a bill for the total amount due for services, which will span two or three plan years. However, most often he will allow you to sign a contract and make monthly installments for the services. For example, while the services may total \$3,600, he may allow you to make an initial down payment of \$500 and make monthly payments of \$100 for the remaining thirty-one (31) months. To have these expenses reimbursed through your HCRP, you will need to determine what your payments will be in each of the affected plan years, and set that amount aside each year in your HCRP.

What happens to my money if I quit before I use it all?

You can be reimbursed for any eligible expenses you incur prior to your date of termination. Expenses incurred on or after your termination date are not payable, and unused dollars in the HCRP will be forfeited to the employer.

What happens if I don't use all of my money?

Unused dollars are forfeited to the employer. They cannot be carried forward to a new Plan Year; they cannot be transferred to another account (i.e. HCRP dollars cannot be transferred to DCRP); and they cannot be returned to the employee as taxable income. You should be conservative in your estimates.

What happens if I have an eligible expense, but not enough money in my account to cover it?

When you sign up for the HCRP, you are electing an "annual benefit". The full annual benefit is available to you throughout the period of coverage (e.g. through the end of the Plan Year or until your date of termination) regardless of your actual contributed amount (to date).

What happens if my employment is terminated and I haven't incurred the expense for which I set aside the money?

In most situations you may elect to continue participating in the HCRP through end of the current plan year and continue paying your contributions on an after-tax basis by remitting them directly to the employer. Your HCRP coverage will remain in effect as though you were still employed, as long as your contributions are made in a timely manner.