

Common Examples

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 annual 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 gym memberships, are not medical care expenses.

Questions?

1-888-659-8828

customer@hraveba.org
hraveba.org

General expenses

- 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 & batteries
- Immunizations
- Laser eye surgery
- Lifetime care at medical facility
- Medical supplies and equipment
- Naturopathic
- 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

Over-the-counter (OTC)

PRESCRIPTION REQUIRED (medicines and drugs):

- Acne medications
- Allergy medicines
- 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

NO PRESCRIPTION REQUIRED (non-medicine items):

- Bandages
- Crutches
- Insulin
- Diagnostic devices (e.g. blood sugar kits)

OTC ITEMS NOT ELIGIBLE:

- Cosmetics; face creams
- Medicated shampoos
- Tooth brushes (including electronic)
- Vitamins (most cases)

Insurance premiums

- Medical*
- Dental
- Vision
- Long-term care (tax-qualified; subject to IRS limits)
- Medicare Part B
- Medicare Part D
- Medicare supplement plans

*Includes marketplace exchange premiums that are or will not be subsidized by the Premium Tax Credit.

Medicare

- Co-pays
- Coinsurance
- Deductibles
- Home health care
- Hospice care
- Hospital stay
- Outpatient hospital services
- Skilled nursing facility stay

Military retiree coverage

- Deductibles
- Medicare Part B premiums
- Medicare Part D premiums
- Office visit copays
- Miscellaneous medical, dental, and vision expenses
- TRICARE premiums (medical and dental plans)

Important Notices

Proper documentation is required when requesting reimbursements. Submitting claims using our mobile app, **HRAgo**, or online after logging in at **hraveba.org** is recommended. You can also email or mail a fully-completed **Claim Form** (and proof of expense) as directed on the form. To learn more, read the **How to File a Claim** handout available online (log in to your account at **hraveba.org** and click **Resources**) or upon request from **customer care@hraveba.org** or 1-888-659-8828. Please note the following:

1. Only qualified expenses and premiums incurred after you become and remain a claims-eligible participant may be submitted for reimbursement.
2. If you are covered by a Section 125 healthcare flexible spending account (FSA), you must exhaust available 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 premiums that are or could be deducted from your paycheck pre-tax through your employer's Section 125 cafeteria plan, are not eligible for reimbursement.** When requesting reimbursement of premiums deducted from your paycheck after tax, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available to you. Premiums deducted from your spouse's paycheck after tax may be eligible for reimbursement.
5. Automatic reimbursement of recurring qualified insurance premiums may be set up online after logging in to your account or by submitting an **Automatic Premium Reimbursement** form.

Regarding OTC drugs and medicines: To be eligible for reimbursement, federal healthcare reform requires that OTC medicines and drugs (except insulin and contact lens solution) 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. The prescription requirement applies only to medicines and drugs, not to other types of OTC items such as bandages and crutches.

Definition of Dependent

Generally, dependents must satisfy the definition of **Qualifying Child** or **Qualifying Relative** as of the end of the calendar year in which expenses were incurred to be eligible for benefits. These requirements are defined by Internal Revenue Code § 105(b) and summarized below. To learn more, read the **Definition of Dependent** handout available online (log in to your account at **hraveba.org** and click **Resources**) or upon request from **customer care@hraveba.org** or 1-888-659-8828.

Qualifying child

A **Qualifying Child** is a person who: (1) is the participant's son or daughter, stepchild, or foster child; and (2) is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico; and (3) either under age 26 at the end of the calendar year in which expenses were incurred or is permanently and totally disabled. Other individuals are subject to additional requirements.

Qualifying Child of Divorced or Separated Parents. A participant's child is treated as the dependent of both parents for the purposes of health plan coverage if during the calendar year in which expenses were incurred: (1) the participant's child is in the custody of the participant or their other parent for more than half the year; and (2) the participant's child receives over half of his or her support during the year from the participant or their other parent.

Qualifying relative

A **Qualifying Relative** is a person who: (1) is the participant's son or daughter, stepchild, foster child, or other relative as defined by the IRS (e.g. father, mother, brother, sister, niece, nephew, aunt, uncle or any other person (other than the participant's legal spouse) who lived with the participant all year as a member of the household if such relationship did not violate local law; and (2) will not be a Qualifying Child of any other person as of the last day of the calendar year in which expenses were incurred; and (3) received over half of his or her support for the calendar year from the participant; and (4) has a gross income for the year that is less than the maximum identified in IRS Publication 501; and (5) is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico.