

Orthodontia and FSA Benefits

Payment Options for Orthodontia Expenses from your Healthcare Flexible Spending Account

Orthodontia (braces) is an eligible expense for Healthcare FSAs and Limited Purpose FSAs. The IRS allows two options for orthodontia reimbursement: an **Installment Option** or a one-time **Full Payment Option**.



Installment Option:

The *initial down payment* is reimbursable as soon as the appliance is installed. The remaining balance can be claimed as the payments are made over the length of treatment.

Required Documentation

A provider contract from the orthodontist's office containing the following information is required (submit with the claim):

- *The date of installation*
- *Estimated insurance towards the treatment*
- *Total cost of the treatment*
- *Estimated length of the treatment*

If a contract is not available, you can use the Benesyst *Orthodontia Reimbursement Support Form* which gathers the information necessary to legally document your claim. available on our website www.benesyst.net.

Full Payment Option:

If you pay in full at the time of installation, the full out-of-pocket amount is eligible. Please note that this is offered as a one-time payment only. Even if service ultimately costs more than expected, additional amounts cannot be claimed. The braces must be installed during the current plan year (not necessarily the calendar year).

Required Documentation

Receipt, EOB or proof of payment with a provider contract from the orthodontist's office containing the following information (submit with the claim):

- *The date of installation*
- *Estimated insurance towards the treatment*
- *Total cost of the treatment*
- *Estimated length of the treatment*

If a contract is not available, you can also use the Benesyst *Orthodontia Reimbursement Support Form* which gathers the information necessary to legally document your claim.

Example:

Mary has a calendar year 2012 Healthcare FSA election of \$1,200. In 2012, her son has braces installed costing \$1,500 out-of-pocket after insurance. She has the option to either pay the orthodontist up front or make 20 payments over the length of treatment.

Full Payment Option:

Mary can submit a copy of her receipt showing payment in full for orthodontia as well as a copy of her provider contract showing the total cost of the treatment. Her full reimbursement for the service would be \$1,200 (her healthcare FSA election for 2012) which would exhaust her election for the plan year. Under the full payment option, Mary would be unable to submit any further claims.

Advantages: *Can receive full reimbursement in the current plan year (not spread over the length of treatment). Only one claim to file with Benesyst.*

Disadvantages: *Reimbursement is limited to the Healthcare FSA election in that plan year. Participant must pay in full at the time of installation.*

Installment Option:

Mary has other medical expenses to claim and prefers to spread out her reimbursement of the orthodontia expense. Under the installment option, Mary could claim her down payment at the time of installation. As each additional payment is made, Mary submits a claim form along with the provider contract or the Orthodontia Reimbursement Support Form. The installment option allows Mary to fit in her additional claims besides the orthodontia and receive the maximum FSA benefit for the entire cost of her son's orthodontia treatment over time.

Advantages: *Can receive reimbursement for the total expense over the length of treatment.*

Disadvantages: *Mary will have to file a separate claim as each payment is made.*