



Benefits Bulletin

February 2007

Using a Health Care Flexible Spending Account (HCFSA) For Orthodontia

The HCFSA can be used to cover orthodontia expenses for children, and can also be used for adults if medically necessary. **However, the IRS rules for reimbursement of orthodontia services are more detailed.** It's important that you understand when you can receive reimbursement and for which orthodontia services.

Reimbursement Is Based on When Services Are Received

IRS rules specifically state that reimbursement for orthodontic services, like other expenses, is **based on when treatment is provided, not when you pay for the services.**

Because orthodontic treatment spans many months, your treatment may occur in more than one plan year. **You can be reimbursed in a given plan year for only those expenses which are incurred in that plan year,** regardless of when you pay for treatment.

For example, your orthodontic treatment begins in September 2007. You are charged an initial banding, x-ray and records fee at the start of treatment, and then are given a contract that states the cost and length of the treatment plan (18 months).

In 2007, you would be eligible for reimbursement for the initial banding, x-rays, records fee and four months of treatment. In 2008, you would be eligible for reimbursement for 12 months of treatment. In 2009, you would be eligible for reimbursement for the final two months of treatment.

Services vs Payment Schedule

Some orthodontists give a discount

for paying your entire fee at the beginning of the treatment. **If you pay for services in advance, your reimbursement through the Flexible Spending Account will be permitted only when services have been incurred,** based on the length of treatment as stated in the contract. Pre-payments, down payments and deposits will be divided among the months of treatment.

For example, you pay \$500 for initial banding, x-rays and records fees. You also pay an additional \$2700 up front for the 18 month service contract. You can be reimbursed immediately for the up-front costs (\$500). The remaining \$2700 will be divided among the 18 months of the contract; you would be eligible for reimbursement of \$150 each month.

You may not receive reimbursement of orthodontic expenses in a prior or subsequent year, regardless of when you pay for those expenses.

EBDS: Orthodontia Worksheet

EBDS has created an orthodontia worksheet to help you and your orthodontist understand the IRS rules. (See <http://hr.web.cmu.edu/forms/benefits/ebds-orthodontia.pdf>.)

Use this form to determine how much you can be reimbursed initially and on an ongoing basis. This form should be used as part of the documentation that accompanies the claim form - it should be signed by the orthodontist.

Recurring EBDS Claims

When you have regular treatment expenses, you may request a "recurring" reimbursement. EBDS will reimburse you monthly without

your having to submit a monthly claim if you **check the "Recurring Claims" line on the Orthodontia Worksheet.**

To process orthodontia claims with EBDS, submit the Orthodontia Worksheet, claim form and a copy of your contract at the beginning of your treatment or the plan year. If your treatment goes into another year, you should resubmit a worksheet and claim at the beginning of the new plan year.

CBSA Orthodontia Claims:

CBSA does not have a special worksheet. *To process orthodontia claims with CBSA,* submit the orthodontia contract and a claim form at the beginning of treatment. Each month you should submit a claim form and payment coupon for reimbursement. Your dental insurance explanation of benefit form should also accompany each claim until your orthodontic benefit is exhausted under your dental plan.

I Didn't Know an HCFSA Could Be Used for That...

- Contact lens supplies
- Over-the-counter medicines (Tylenol, Pepto Bismal, etc.)
- Ovulation monitors, fertility treatments, pregnancy tests and childbirth preparation classes.
- Student health fees
- Laser/Lasik Eye Surgery
- Adoption - medical expenses before the adoption is final
- If prescribed by a doctor: ear plugs, acupuncture, alternative medicine, lead paint removal, massage, sleep testing/treatment.

Incur Expenses For Your 2006 FSA by March 15

If you participated in the Health Care Flexible Spending Account or Dependent Care Reimbursement Account in 2006 and have a remaining balance, **you have until March 15, 2007 to incur eligible 2006 expenses** for reimbursement. 2006 participants have until June 30, 2007 to file claims for their 2006 account.

NOTE: 2007 FSA accounts do NOT include a grace period into 2008. *2007 contributions must be incurred during the 2007 calendar year.*

Any money remaining in your 2006 account for which eligible claims incurred during the plan year (January 1, 2006 - March 15, 2007) are not filed by June 30th will be forfeited.

You will need proper documentation to file your FSA claims. Check with your FSA carrier for information about acceptable forms of documentation, including an Explanation of Benefits (EOB) or itemized bills/receipts.

If you switched health plan carriers for 2007, then your 2006 FSA carrier may be different than your 2007 carrier. ***Be sure to submit claims for 2006 expenses to your 2006 carrier.***

Check Your FSA Balance Online

EBDS: Go to the EBDS web site at <http://www.ebdsbenefits.com/eOSA>. Type in your Social Security Number as your Customer ID and your PIN. (If you don't know your PIN, click on "Forgot Your Pin.") Upon logging in, you will see an account summary that shows your current available balance.

CBSA: Go to the CBSA web site at <http://www.cbsainc.com/coventry>. Click on "First Time Users" to set up an account or enter your HealthAmerica Member ID and password. Upon logging in, you will see an account summary that shows your current available balance.

Get Healthier in 2007

Some of the leading contributors to poor health and premature death in the U.S. include obesity, poor nutrition, lack of activity and smoking. Carnegie Mellon can help you take charge and make healthier choices:

1. Free exercise classes for faculty and staff in Whitfield Hall (see <http://www.andrew.cmu.edu/org/StaffFacultyFitness>)
2. Use of Carnegie Mellon athletic facilities with valid ID (see <http://www.cmu.edu/athletic/facilities/facilities.htm>)
3. LifeWorks (see <http://hr.web.cmu.edu/current/work-life/lifeworks>) Free booklets/articles, an online Weight Loss Toolkit, and health assessments are some resources.
4. Wellness opportunities through Student Health (see <http://www.studentaffairs.cmu.edu/HealthServices/Wellness>):
 - smoking cessation program
 - nutritional counseling
 - massage and reiki healing
 - stress management
 - holistic lifestyle questionnaire
5. Free meditation program (30-minute sessions, 12:00 noon every Tuesday in 312 UTDC)
6. Benefit carrier resources (see <http://hr.web.cmu.edu/current/benefits/healthy>) Free preventive care according to the plan's schedule, free web resources and discount programs are available.
7. Weight Watchers At Work (see <http://www.as.cmu.edu/-rita/wmtngs.html> for the next series)

PNC Workplace Banking

Open a PNC Workplace Banking account with direct deposit by March 31 and receive a **\$75 bonus**. Visit <http://www.pncbank.com/wpb/cmu> to set up an account online.

Managing Debt to Help Ensure a Bright Financial Future

This New Year, did you resolve to reduce your credit card debt? Now may be a great time to learn to manage spending and debt. Find out what you can do today to manage your finances and help ensure a bright financial future. Visit <http://hr.web.cmu.edu> to find the article "*Don't Let Debt Cloud Your Financial Future*". The article contains helpful information and a link to a fast-paced, eight-minute video with realistic tips on reducing spending and increasing savings.

LifeWorks Helps: At Any Age, In Any Situation

- *Planning a kitchen renovation?*
- *Thinking of adopting a new pet?*
- *Single parent with too much to do?*
- *Hoping to buy a new home?*

You'll find resources on consumer issues, event planning, pet care, parenting concerns, home remodeling, immigration, improving relationships, finances and many other topics.

Have you signed up to receive one of LifeWorks' popular monthly newsletters? Go to the LifeWorks web page and click on "E-mail Newsletters" at the bottom of your screen.

Long-Term Disability

All full-time faculty and staff are covered by basic long-term disability (LTD) insurance. Enhanced coverage is also available. LTD goes into effect when a disability lasts more than 26 weeks. It provides 60% salary replacement and continues university contributions to your retirement plan until your benefits eligibility ends.

Beginning in 2007, the LTD salary replacement benefit cap of \$6,500 per month was eliminated.