



# NECA-IBEW Welfare Trust Fund



## Health Reimbursement Arrangement (HRA) Account Expenses

The NECA-IBEW Welfare Trust Fund includes a Health Reimbursement Arrangement (HRA) Plan. An HRA Account may only be used to pay for eligible health care expenses as defined by Internal Revenue Code (IRC) Section 213. However, please note that:

- The expense must be incurred by you or your eligible dependent when eligible for coverage under the Plan. You must provide proof that the expense was incurred while eligible for coverage under the HRA. An expense is considered to be incurred on the date the care or service is provided; not on the date that it is billed.
- The expense submitted for reimbursement cannot be otherwise reimbursed (or reimbursable) through any other source, cannot be eligible for payment on a pre-tax basis, and is not nor will be taken as a tax deduction.

## Reimbursable Expenses

In general, health care expenses eligible for reimbursement include, but are not limited to:

- Hospital, doctors, and dentists bills, and prescription drugs;
- Amounts you pay for deductibles, copayments, and coinsurance;
- Premiums for group health plan coverage (provided premiums are not paid through salary reduction contributions under the terms of a Code Section 125 plan or any plan that provides for premium payment with pre-tax dollars), COBRA Continuation Coverage, and Medicare Parts B, C, and D.

Following is a listing of the type of expenses that may be eligible for reimbursement from the Fund's HRA Plan. This list is based on IRC Section 213 and is taken from the Department of Treasury, Internal Revenue Service, *Publication 502, Medical and Dental Expenses*. Please note that not all IRC Section 213 expenses are eligible for reimbursement. For more detailed information, contact the IRS or visit [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

- Acupuncture.
- Alcoholism, including inpatient treatment at a therapeutic center for alcohol addiction, including meals and lodging provided by the center during treatment.
- Artificial limbs.
- Artificial teeth, for other than cosmetic reasons.
- Birth control pills prescribed by a doctor.
- Breast reconstruction surgery following a mastectomy for cancer.
- Chiropractor.
- Contact lenses needed for medical reasons, including cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner.
- Crutches (rental or purchase).
- Dental treatment, including fees paid to dentists for X-rays, fillings, braces, extractions, dentures, etc. (but *Teeth Whitening*, as described later, are not covered).
- Diagnostic devices used in diagnosing and treating illness and disease.
- Drug addiction for inpatient treatment at a therapeutic center for drug addiction, including meals and lodging at the center during treatment.

- Eye or vision correction surgery, including eye surgery to treat defective vision, such as laser eye surgery or radial keratotomy.
- Eyeglasses needed for medical reasons, including fees paid for eye examinations.
- Fertility enhancement to overcome an inability to have children, including:
  - ◆ Procedures, such as *in vitro* fertilization and temporary storage of eggs or sperm.
  - ◆ Surgery, including an operation to reverse prior surgery that prevented the person from having children.
- Health institute if the treatment is prescribed by a physician and the physician issues a statement that the treatment is necessary to alleviate a physical or mental defect or illness of the individual receiving the treatment.
- Hearing aids including batteries to operate it.
- Home Care (see *Nursing services*).
- Hospital services for inpatient care at a hospital or similar institution if a principal reason for being there is to receive medical care; this includes meals and lodging (see *Lodging*).
- Laboratory fees for medical care.
- Legal abortion.
- Legal medical services provided by physicians, surgeons, specialists, and other medical practitioners.
- Lodging at a hospital or similar institution while away from home if:
  - ◆ The lodging is primarily for and essential to medical care;
  - ◆ The medical care is provided by a doctor in a licensed hospital or in a medical care facility related or the equivalent of, a licensed hospital;
  - ◆ The lodging is not lavish or extravagant under the circumstances; and
  - ◆ There is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

Amounts for lodging cannot be more than \$50 for each night for the individual receiving medical care and a person traveling with that individual. Expenses are not eligible if treatment is not received from a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital or if the lodging is not primarily for or essential to the medical care received.

- Medical supplies, such as bandages used to cover torn skin.
- Medicines that require a prescription by a doctor for use by an individual, including insulin.
- Mentally retarded special home, which includes the cost of keeping a mentally retarded person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living.
- Nursing home medical care (including care in a home for the aged or similar institution), meals, and lodging if a principal reason for being there is to get medical care.
- Nursing services, including wages and other amounts paid for nursing services provided by a nurse licensed in the jurisdiction where providing services.
- Operations or surgery, when legal and not preformed for unnecessary cosmetic surgery (see *Cosmetic surgery*).
- Optometrist.
- Organ donors (see *Transplants*).
- Osteopath.
- Oxygen, including equipment, to relieve breathing problems caused by a medical condition.
- Prosthesis.
- Psychiatric care, including the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care.

- Psychoanalysis (however, psychoanalysis that is part of required training to be a psychoanalyst is not eligible).
- Psychologist.
- Sterilization (a legally performed operation to make a person unable to have children).
- Stop-smoking programs (this does not include stop-smoking drugs that do not require a prescription, such as nicotine gum or patches).
- Telephone special equipment that lets a hearing-impaired person communicate over a regular telephone, including teletypewriter (TTY) and telecommunications device for the deaf (TDD) equipment as well as equipment repair costs.
- Television equipment that displays the audio part of television programs, such as subtitles, for hearing-impaired persons (this be an adapter that attaches to a regular set or some of the costs associated with a specially equipped television that exceeds the cost of the same model regular television set).
- Therapy received as medical treatment (not including massage therapy).
- Transplants as a donor or possible donor of an organ.
- Vasectomy.
- Wheelchair used mainly for the relief of sickness or disability, and not just to provide transportation to and from work; this includes the cost of operating and maintaining the wheelchair.
- Wig purchased upon the advice of a physician for the mental health of a patient who has lost all hair from disease.
- X-rays for medical reasons.

### ***Coordination of Benefits***

If you or a Dependent have a health care Flexible Spending Account (FSA), you must submit any claim for reimbursement of eligible expenses to the FSA *before* expenses will be reimbursed under this Plan. If any portion of your eligible expenses is not reimbursed from your health care FSA, you can then submit the expenses to this Plan for reimbursement.

### **Expenses Not Eligible for Reimbursement**

Any item that does not constitute medical care as defined by IRC Section 213 is not eligible for reimbursement from the Plan's HRA. However, not all expenses are eligible for reimbursement, even if they meet the IRC Section 213 definition of medical care. Following is a listing of the types of expenses that are not eligible for reimbursement. This list is based on IRC Section 213 and is taken from the Department of Treasury, Internal Revenue Service, *Publication 502, Medical and Dental Expenses*. For more detailed information, contact the IRS or visit [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

- Automobile insurance premiums.
- Baby sitting, childcare, and nursing services for a normal, healthy baby, even if the expenses enable you, your spouse, or your dependent to get medical or dental treatment. This includes any expense allowed as a childcare credit.
- Bottled water.
- Controlled substances, such as marijuana, in violation of federal law, even if prescribed by a doctor.
- Cosmetic surgery or other similar procedures, unless necessary to improve a deformity arising from, or directly related to, a congenital abnormality, personal injury resulting from an accident or trauma, or disfiguring disease. Cosmetic surgery means any procedure that is directed at improving a patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease. Other similar procedures include, but are not limited to, electrolysis, teeth whitening, hair removal, and hair transplant.
- Cosmetics, toiletries, toothpaste, etc.
- Custodial care.
- Dancing or swimming lessons that are only for the improvement of general health, even if recommended by a doctor.

- Diapers or diaper service, unless needed to relieve the effects of a particular disease.
- Flexible Spending Account amounts for which you are fully reimbursed.
- Funeral and burial expenses.
- Future medical care (including medical insurance) to be provided substantially beyond the end of the year. This does not apply in situations where the future care is purchased in connection with obtaining lifetime care or certain long-term care.
- Health club or fitness program dues or amounts, including any membership in any club organized for business, pleasure, recreation, or other social purpose, even if to improve one's general health or to relieve physical or mental discomfort not related to a particular medical condition.
- Health coverage tax credit for health insurance.
- Health Savings Account (HSA) payments or distributions.
- Home or automobile improvements.
- Household and domestic help, even if the help is recommended by a doctor. However, certain expenses paid to a person providing nursing-type services may be eligible (see *Nursing services*).
- Illegal operations, treatments, or controlled substances whether rendered or prescribed by licensed or unlicensed practitioners.
- Long-term care services.
- Massage therapy.
- Maternity clothes.
- Medical Savings Account (MSA) amounts contributed to an Archer MSA.
- Medicines and drugs from other countries, including a prescribed drug brought in or ordered and shipped from another country (however, prescribed drugs the Food and Drug Administration announces can be legally imported by individuals and prescribed drugs purchased and consumed in another country if the drug is legal in both the other country and the United States may be eligible).
- Nonprescription drugs and medicines, except for insulin.
- Nutritional supplements, including nutri-supplements, vitamins, herbal supplements, natural medicines, etc. unless they are recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician.
- Personal use items, which includes items ordinarily used for personal, living, or family purposes unless it is used primarily to prevent or alleviate a physical or mental defect or illness.
- Premiums paid through salary reduction contributions under the terms of an IRC Section 125 plan or any plan that provides for premium payment with pre-tax dollars.
- Social activities, such as dance lessons (even if recommended by a doctor for general health improvement).
- Special school costs for sending a problem child to a special school for benefits that the child may receive from the course of study and disciplinary methods.
- Teeth whitening.
- Transportation expenses of any sort, including transportation expenses to receive medical care.
- Uniforms or special clothing, such as maternity clothing.
- Veterinary fees.
- Weight-loss program if the purpose is to improve appearance, general health, or sense of being. However, programs may be eligible if due to treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). Expenses not eligible include membership dues in a gym, health club, or spa, or diet food or beverages.