Orthodontia reimbursement

A general guide on reimbursement for orthodontia expenses from your health flexible spending account or health reimbursement arrangement.

Rules

IRS guidance permits health flexible spending account and health reimbursement arrangement participants to be reimbursed for orthodontia expenses after payment. Because orthodontia services often span multiple plan years, the IRS allows you to consider the date you make a payment as the service date for orthodontia only.

Example: Employer X sponsors a calendar year health flexible spending account with a maximum election amount of $2,500. Employee Y elects $2,000 for the 2014 plan year. Y’s eligible dependent is scheduled for orthodontia treatment beginning Feb. 2014 and ending Jan. 2016. At the first appointment, Feb. 15, 2014, Y signs a contract with the orthodontist agreeing to pay $125 each month and makes the first payment.

On Feb. 16, 2014, Y submits a request for reimbursement from their health flexible spending account. To reimburse the expense, BenefitHelp Solutions requests:

- A copy of the contract showing the care is for the eligible dependent, the duration of treatment and the payment schedule
- Valid proof of payment

Upon receipt of all applicable information, BenefitHelp Solutions reimburses Y for the eligible expense. The date of service is listed as Feb. 15, 2014, consistent with the paid date.

On Mar. 15, 2014, Y makes another payment of $125 to the orthodontists. The date of service is listed as Mar. 15, 2014, consistent with the paid date. For reimbursement of the March payment, BenefitHelp Solutions requests:

Documentation requirements

If payment is made in full for the orthodontic treatment, and proof of payment is included with the completed claim form, the full payment amount will be reimbursed up to your Health Care election amount. (Submit documentation from the orthodontist showing the name of the person receiving the treatment, the beginning date of the treatment, the contracted amount, and the amount you paid (Financial Agreement Contract, itemized statement and claim form are required). Credit card slips, bank statements, or cancelled checks are not valid documentation under IRS rules.
Some common acceptable forms of payment plan documentation include:

- An orthodontist coupon booklet indicating monthly payments and a paid receipt if the date of service has not yet occurred.
- A receipt including the payment date
- A monthly statement that indicates the payment amount and a paid receipt if the date of service has not yet occurred.
- A credit card statement, including Care Credit*
- Copy of a monthly statement from the provider or provider contract including the monthly payment amount.
- Loan agreement where orthodontics is specified and the pay date is indicated
- Orthodontic provider contract or treatment plan that consists of total charge, banding date and estimated treatment that can be reconciled to the payment information from the bank
- A loan coupon (finance charges are not eligible for reimbursement)

**Things to keep in mind**

**Payment must be made during the benefit period**

The payment for your orthodontia services must have been made during the plan year or your period of coverage. If your dental plan provides any assistance with the cost of your orthodontia expenses, the reimbursement will be reduced by the amounts provided by the dental plan.

**The payment must be made while the employee was an active participant in the plan**

To be reimbursed for your orthodontia expenses, you must be an active participant (or participating through COBRA).

**You do have the option to request reimbursement be made upon the completion of the orthodontia services**

If your situation or needs are such that you wish to be reimbursed based on services incurred or based on a payment plan rather than by lump sum payment, those options are available. This method is especially helpful for participants who do not do lump sum payments or who have significant expenses over a multiyear period.

**Initial evaluation fees are usually separate**

Orthodontia services initially performed, such as moldings, diagnostic records fees, consultation fees, etc., are reimbursable when incurred if the expenses are separate from the contracted treatment. These expenses are typically not included in the total treatment cost for orthodontia and would require a fully completed claim form with an itemized bill. If these services were incurred during the plan year or period of coverage in which you are requesting reimbursement, they would be considered eligible.

**Questions?**

Contact BenefitHelp Solutions customer service representative at 503-219-6379 or toll free at 888-398-8057 for more information.