Flexible Spending Accounts Bridge the Gap For Individuals Seeking Alternative Medicine.

There are many patients who would like to seek out alternative health care practices but feel confined by their insurance policy and the cost associated with health care. Let me take a moment to let you know that there are some options out there for those of you who fall into this category.

First, just because an alternative health care provider does not file with insurance companies doesn't mean that there is no coverage. These health care providers are trying to keep their costs down so that they can keep their fees as low as possible. If you contact your insurance provider they can let you know if your plan allows for any out-of-network services. If they do, they can get you a form that you can fill out and submit along with treatment information from your doctor's office and proof that you've paid the bill. They will then reimburse you for a percentage of the total bill. This percentage will vary based on your particular insurance policy.

Second, it is time that you take control of your Flexible Spending Account (FSA). First, what is a FSA? It is an employer-established account with tax benefits. So the first step in your process is going to be to contact the person in charge of benefits at your company to find out if they offer an SPA.

Okay, you found out that your company does offer an SPA, now it's time to sign-up. You need to come up with an amount to put into your account. This is typically 100% from you, but some employers will contribute to the plan. Get a rough estimate of how often you go to the doctor/dentist/optomotrist, purchase medication, supplements, or any other medical related product (the list is HUGE, check out IRS publication 502). This is how much you want to put in your SPA to begin with. If you want, you can round down the first year and keep a more accurate record for next year.

What's so powerful about an SPA? First, the money is taken out before taxes. That means the hundreds or thousands of dollars that you spend on medical, dental and vision can be pre-tax dollars. Since this money comes out before taxes, your overall tax payment is lowered. And last, if your employer makes a contribution, this is not considered part of your taxable income and won't effect your tax bracket.

These accounts are wonderful and should be used, however, there are a few things you need to know. First, your balance does not carry over year to year. You need to use all of your funds each year - but with so many qualifying expenses, you shouldn't have a problem using up your funds at the end of the year. For a full list of qualifying expenses, you can check IRS publication 502. Second, your account is tied to your company - if you leave the company for any reason, you will need to use your funds at that point in time.

Just to name a few items that are qualifying expenses:

- acupuncture
- adult diapers (incontinence)
- allergy medicines
- ambulance services
- bandages/band aids
- birth control pills
- blood pressure monitoring device
- blood work/analysis (must be requested by doctor)
- braces (ankle/arm/leg)
- chemotherapy
- co-insurance amounts
- contact lenses
- condoms
- cough drops
- deductibles
- diabetic supplies
- Exercise equipment/program/gym membership - (MUST HAVE DOCTOR'S NOTE AND CAN NOT BELONG TO GYM PRIOR TO NOTE)
- Eye glasses
- Fertility/Infertility Treatments
- First Aid kits and supplies
- Guide Dog (buying, training, caring for)
- GYN exams
- Hearing Aids
- Herbal medicines & treatments (with doctor's notes)
- Hospital services
- Immunizations
- Laser Eye Surgery
- Nicotin - smoking cessation aids
- Pain Relievers
- PAP smears
- Pregnancy tests
- sales tax on all qualifying expenses
- shipping and handling costs on all qualifying expenses
- speech therapy (with doctor's note)
- sunglasses (prescription only)
- surgery (not cosmetic)
- Vaporizer
- Walkers
- Wheelchair