



Guidelines for Submitting Orthodontia Claims to NEO for Reimbursement

1. **Along with a completed Medical Reimbursement Claim Form, submit a statement from the orthodontist that outlines the treatment plan and/or financial arrangements.** Such documentation must include the date the braces are placed, the estimated length of treatment (start date and end date), the payment arrangements (e.g. payment in full, deposit plus monthly installments, monthly installments only), and the estimated insurance payment, if any. This document(s) shall remain on file at NEO and need only be submitted once.
2. **To be eligible for reimbursement, the following criteria must be met:**
 - a. **The expense must have been incurred during the coverage period (the plan year).** “Incurred” means the date that the individual is provided with the medical/dental care, *not* the date of payment or billing. Because orthodontic expenses typically span two or more years, reimbursement of an entire orthodontia expense in one year generally violates the IRS requirement that the expense be incurred during the coverage period. Orthodontia expenses are to be prorated over the length of treatment.
 - b. **The individual must be under the continuing care of an orthodontist.** Payments made after the braces are removed and after orthodontic treatment has ceased are not eligible for reimbursement.
3. **If the orthodontist requires a downpayment or up-front fee, such expense is considered to be “incurred” on the date payment is made and can be reimbursed in full at the time it is made.** As stated above, the entire orthodontic expense cannot be reimbursed in full at the time payment is made.
4. **If an individual is making monthly payments to the orthodontist, the monthly payments can be reimbursed as they’re incurred.** Or, at the FSA participant’s discretion, the anticipated monthly payments for the entire plan year may be reimbursed at once, in advance of the monthly payment.

See examples on the following page.

- Flexible Spending Account Administration
- Health Reimbursement Account Administration
- Health Savings Account Consulting & Compliance
- COBRA Administration

1735 Merriman Road
Akron, OH 44313
330.864.0690 • 800.775.3539
fax: 330.572.8125
www.flexNEO.com



**Orthodontia Reimbursement Example #1:
Downpayment Plus Monthly Payments**

Sarah starts orthodontic treatment on October 1, 2014. Her treatment will end on April 1, 2016. The total cost of the orthodontia is \$4,000. She has no orthodontia insurance.

Sarah made an initial downpayment of \$400. The remaining \$3,600 will be paid in 18 monthly installments of \$200 beginning November 1, 2014 and ending April 1, 2016.

In 2014, Sarah can claim \$800 (\$400 downpayment plus two monthly installments). **In 2015, Sarah can claim \$2,400** (twelve monthly installments). **In 2016, Sarah can claim the remaining \$800** (four monthly installments).

**Orthodontia Reimbursement Example #2:
Payment In Full at Beginning of Treatment**

Sarah starts orthodontic treatment on October 1, 2014. Her treatment will end on April 1, 2016. The total cost of the orthodontia is \$4,000. She has no orthodontia insurance.

Sarah paid the entire orthodontia expense on October 1, 2014 so that she could take advantage of a \$500 “payment in full” discount offered by her orthodontist. Remember, because orthodontic expenses typically span two or more years, reimbursement of an entire orthodontia expense in one year violates the IRS requirement that expenses can only be reimbursed as they are *incurred*. Therefore, the entire \$3,500 cannot all be reimbursed in 2014 even though Sarah paid that amount in that Plan Year. Orthodontia expenses are to be prorated over the length of treatment. The \$3,500 total cost is prorated over the 18 months of treatment ($\$3,500/18 = \194.44 per month).

In 2014, Sarah can claim \$583.32 (3 months x \$194.44). **In 2015, Sarah can claim \$2,333.28** (12 months x \$194.44). **In 2016, Sarah can claim the remaining \$583.32** (3 months x \$194.44),

- Flexible Spending Account Administration
- Health Reimbursement Account Administration
- Health Savings Account Consulting & Compliance
- COBRA Administration

1735 Merriman Road
Akron, OH 44313
330.864.0690 • 800.775.3539
fax: 330.572.8125
www.flexNEO.com