

# Qualified Expenses and Premiums

The below list of qualified expenses and premiums is not a complete list, but it does contain many examples of the types of expenses and premiums eligible for reimbursement from your VEBA account. The most common include co-pays, coinsurance, deductibles, retiree insurance premiums (including Medicare Part B and Part D and Medicare supplement plans), and tax-qualified long-term care insurance premiums (subject to IRS limits).

Internal Revenue Code § 213(d) defines qualified expenses, in part, as “medical care” amounts paid for insurance or “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body...” Expenses solely for cosmetic reasons generally are not considered expenses for medical care (e.g. facelifts, hair transplants, hair removal (electrolysis)). Expenses that are merely beneficial to your general health, such as vacations, are not medical care expenses.

<b>GENERAL EXPENSES</b> Acupuncture Alcoholism and drug treatment center costs Birth control pills Chiropractic Christian Science Contact lenses, solutions, etc. Co-pays Coinsurance Deductibles Dental Eye glasses Fertility treatments Gynecology/Obstetrics Hearing aids & batteries Immunizations Laser eye surgery Lifetime care at medical facility Medical supplies and equipment Naturopathic	Organ transplants Orthodontia Osteopathy Physical therapy Prescription medicines Preventive care Psychiatric Retirement home (costs allocable to medical care) Stop smoking programs Transportation (subject to IRS limits) Vaccines Vasectomy Vision Wheelchair <b>OVER-THE-COUNTER (OTC)</b> Acne medications Allergy medicines	Antacids Aspirin Cold medicines Cough suppressants Dietary supplements Eye products (e.g. Visine®) First aid creams/liquids Herbal medicines Nicotine gum/patches Pain relievers Sinus medications Sleeping aids St. John's Wort Weight loss drugs  <b>No prescription required (non-medicine items):</b> Bandages Crutches Insulin Diagnostic devices (e.g. blood sugar kits)	<b>Items not eligible:</b> Cosmetics; face creams Medicated shampoos Tooth brushes (including electronic) Vitamins (most cases)  <b>INSURANCE PREMIUMS</b> Medical Dental Vision Long-term care (tax-qualified; subject to IRS limits) Medicare Part B Medicare Part D Medicare supplement plans  <b>MEDICARE</b> Co-pays Coinsurance Deductibles Home health care	Hospice care Hospital stay Outpatient hospital services Skilled nursing facility stay <b>TRICARE (military retirees)</b> Co-pays Coinsurance Deductibles Vision Miscellaneous Premiums: EXTRA Medicare Part B Medicare Part D PRIME (HMO) PRIME supplement Retiree dental Standard <b>PREMIUMS</b> Accident Insurance Cancer Insurance Critical Illness Insurance
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**IMPORTANT NOTICE REGARDING OTC DRUGS AND MEDICINES:** Due to the passage of the CARES Act, over-the-counter drugs (OTC) no longer require a prescription to be reimbursed. This is going retroactive to January 1, 2020. Examples include acne medication, acid controllers, allergy and sinus medications, anti-itch and insect bite products, cough, cold and flu medicines, eye drops, heartburn medicines, hot pads, creams and patches, laxatives, lice treatment, motion sickness medicines, nasal wash systems/inhalers, pain relief and sleep aids and sedatives. In addition, menstrual care/feminine hygiene products are now reimbursable.

A fully completed claim form along with proper documentation is required when requesting reimbursements. Claim Forms are available online at [www.anchorbenefit.com](http://www.anchorbenefit.com) via the Employer/Member Benefit Portal, or by contacting the third-party administrator. Please note the following:

1. Qualified expenses and premiums you submit for reimbursement must be incurred after you become a claims-eligible participant.
2. Qualified insurance premiums are reimbursable beginning with the month in which you become a claims-eligible participant.
3. IRS regulations provide that insurance premiums paid by an employer, or premiums that are or could be deducted pre-tax through your (or your spouse's) employer's Section 125 plan, are not eligible for reimbursement. If you request reimbursement of premiums deducted from your (or your spouse's) paycheck, you should include a letter from the employer which confirms that a pre-tax option for the payment of such premiums is not available.
4. MediShare is not eligible for reimbursement. MediShare is a health care sharing ministry program, not offered by an insurance company, and the benefit is not insurance. Therefore, the membership fees/donations are not reimbursable according to IRS guidelines.

**Questions?** Contact Anchor Benefit Consulting at [support@anchorbenefit.com](mailto:support@anchorbenefit.com) or **1-800-845-7629**.

