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# Overview of Orthodontia Expenses

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**Orthodontia claims** require that one of the following be submitted: an itemized statement/paid receipt, the orthodontist's contract/payment agreement, or monthly payment coupons. Reimbursements can be made in one lump sum or as services are provided over the expected treatment period. These reimbursement options are described below:

**Coupon Payment Option** – You can submit an itemized statement of your orthodontia expenses as the service is provided. Submit this documentation with a completed claim form for reimbursement.

**Monthly Payment Option (Auto Pay)** – You can obtain a contract/payment agreement from the orthodontist with the following information:

- Patient name
- Date the service begins
- Length of service
- Charges for the initial banding work
- Dollar amount charged each month

Simply submit this agreement with your first claim form and PayFlex will automatically reimburse you each month, according to the agreement. This eliminates the need for you to send a claim form for each visit and allows expenses to be paid monthly/quarterly for the length of the contract, regardless of the plan year, provided funds are in your account.

Reminders when using this option...

- The PayFlex Card™ cannot be used to pay for orthodontia expenses
- The orthodontia agreement and a new claim form must be submitted each plan year you receive orthodontia services.
- Reimbursement will be provided on the first of the month.

**Total Payment Option** – If you paid the entire amount of treatment when the service began, PayFlex will reimburse you the amount not covered by insurance, up to your available FSA balance. Simply send a copy of your paid receipt to PayFlex, along with an itemized statement with the following information:

- Provider name
- Patient name
- Date treatment started
- Amount of expense
- Amount insurance will pay

A paid receipt must be submitted and no expense is allowed in future plan years.



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## **Orthodontia Examples**

### ***Example 1: Full payment is made in first plan year***

You participate in a healthcare Flexible Spending Account (FSA) in 2009 and 2010. In October 2009, you sign an agreement with an orthodontist for your son. During the first visit (November 2009), your son is X-rayed and fitted for braces. On the second visit (December 2009), the braces are installed. During 15 more monthly visits, the braces will be adjusted. Eventually (in 18 months, if everything goes as planned), the braces will be removed. For these services, the orthodontist charges \$3,000 on the date of the first visit, which you pay in 2009.

*Can you be reimbursed the full \$3,000 from your 2009 healthcare FSA?*

Yes, provided you have at least \$3,000 available in your FSA. Although your son did not receive all of the care in 2009, the IRS regulations allow the healthcare FSA to reimburse you for the entire \$3,000 as a 2009 expense.

### ***Example 2: Orthodontia payments divided between two plan years***

When treatment is spread out over two plan years and you do not pay for the expense up front, you have two options:

- 1) You can pay the monthly payment amount based on the orthodontia agreement by submitting a claim each month with your payment coupon.
- 2) You can set up an automatic payment (Auto Pay) with PayFlex, based on the amount set by the orthodontia agreement. To set up Auto Pay, you will need to complete a claim form with the monthly payment amount listed as the *amount requested* and **Ortho – Auto Pay** as the *type of service*. A copy of the agreement must be sent in with the claim form. Once PayFlex processes this claim, you will be reimbursed each month for the contracted amount.

### ***Example 3: Orthodontia expense is greater than your available FSA balance***

You incur an orthodontia expense in December 2009 totaling \$2000 and you pay the full amount in December.

- 2009 FSA balance = \$500
- 2010 FSA balance = \$2000

If you submit a claim in December 2009 and request reimbursement for the full amount of the \$2000 expense, only \$500 would be reimbursed and the remaining \$1500 would be denied. In order to have the full amount reimbursed, you would need to show proof of payment for \$500 in December 2009 and a separate proof of payment for \$1500 in the 2010 plan year.

**NOTE:** IRS guidelines state that orthodontia services are deemed incurred when the participant makes an advance payment.