HRA
Human Resource Administrators, Inc.

Orthodontic Reimbursement Guidelines
Orthodontics is not like other Flexible Spending Account Reimbursements:

Because orthodontic treatments can span over multiple plan years, reimbursement does hold special guidelines. Here are a few things to be aware of when you make your yearly elections:

- Our reimbursements may not necessarily match a financial contract that you have with your provider, neither in length nor payment amount.
- Reimbursement is not automatic. We must receive a signed Claim Form and proof of service before you will receive reimbursements. Then reimbursements will be set up to issued automatically on a monthly basis. **Note: A completed Claim Form must be presented at the beginning of each new plan year to continue with the monthly reimbursements that may be eligible in that plan year.** See how to calculate this information in our example.
- Step 1. Completing the worksheet attached on page 2, will give us all of the information we need to determine your reimbursement schedule and help you determine the amount you will be reimbursed in the FSA plan year.
- Step 2. Calculate the amount you are eligible to be reimbursed for each plan year. Please use caution in making your elections. Remember that Flexible Spending is a "use it or lose it" plan. You will need to carefully estimate your election based on this reimbursement formula.

EXAMPLE: How to arrive at your amount eligible per plan year

Monthly Reimbursement Example: Orthodontic charges are $5200.00 for treatment on Sally and are estimated to last 24 months. Sally's parents have insurance. Mom's insurance will be paying $1000.00 over the course of treatment. Dad's coverage will pay $500.00. The provider required that the family pay an initial placement fee of $1000.00 at Sally's banding or placement appointment, which was May 6th.

When they heard that Sally needed braces, Mom called HRA and obtained an Orthodontic Worksheet. She then submitted the completed worksheet with a signed reimbursement claim form and a provider's statement showing that Sally was banded on May 6th and that the initial placement fee was $1000.00.

HRA uses the worksheet to determine the monthly reimbursements of $112.50 to be paid each month using the calculations outlined below.
$5200.00 total treatment fee
$3700.00 total patient balance (fee less insurance)
$1000.00 initial placement fee (which can be paid for date of service May 6th , back to the participant provided this has been set aside through their Health FSA for the plan year)

$2700.00 divided by 24 months of treatment = $112.50 **Monthly reimbursement amount.** (Balance of charges due by patient divided by months of treatment)

Amount eligible per plan year: Now calculate the amount you may want to elect per plan year based on how much can be reimbursed of the orthodontic expenses.

1st Year $1787.50 $1000.00 initial placement fee paid May 6th + June thru Dec will be 7 monthly reimbursements at $112.50 each = $787.50

2nd Year $1350.00 Based on the total estimate of 24 months treatment time you can be reimbursed for 12 months this second year for 12 months x $112.50 = $1350.00

3rd Year $562.50 Based on 24 months minus 7 in the 1st plan year and 12 in the 2nd year leaving 5 more months at $112.50 for this final plan year and then all services have been incurred.
In summary $1787.50 + $1350.00 + $562.50 = $3700.00 the total patient balance after insurance.

Orthodontic Charges Worksheet

Responsible party:_____

Name of Employer:_____

Patient:_____Relationship to employee: _____

Placement date of Orthodontics: ___/___/ _____

Estimated months of treatment:

STEP 1: Calculating the monthly reimbursement schedule

Total Treatment Fee: $ __
    Less any discounts: $ __
    Less estimated insurance: $ __

Total Patient Balance: $ __

Amount of deposit/initial placement fee at Banding $ _____Date Paid:___/___/____
Note: We will reimburse the providers required initial placement fee, not to exceed 50% of total patient balance.

HRA will determine the amount reimbursable per month by taking the total patient balance, minus the total initial placement fee and dividing that amount by the estimated months of treatment.

Balance due after initial payment: $_____
Divided by # of months of estimated treatment _____ =$_____monthly reimbursement.

Date provider is expecting the 1st Monthly Payment Due date: ___/___/___
Treatment months for remainder of current plan year ending December 31st _____ months.

Provider Certification: Name: _____ Tax ID#
                    Address: _____

                             _____

Provider Signature_____ Date ___/___/_

STEP 2: Calculating annual election amount based on above criteria for orthodontic treatment.

$ _____Deposit amount paid by participant in current FSA year
+
$ _____ Total amount of scheduled monthly reimbursements during the 1st year of Orthodontic treatment

NOTE: *Calculate the amount reimbursable per plan year using example on page 1 of this worksheet*