

Summary Document Reimbursement of Dual-Purpose Items

A dual-purpose item is defined as one that is generally known to have both a medical purpose and a personal, cosmetic or general health purpose. This is a summary of common dual-purpose items and the information required for reimbursement. We suggest viewing our brochure on the aai-tpa.com website under "Flex Forms" for more detailed information on these and other dual-purpose items.

Massage Therapy - Must be for a specific medical condition (not stress relief). Should either indicate the diagnosis on each receipt (if done by a LMT) or requires a Letter of Medical Necessity or Certification of Medical Necessity (form available from PCA).

Weight Loss Programs - Must be for a specific medical condition, not for general well being. Requires a Letter of Medical Necessity or Certification of Medical Necessity (form available from PCA). Diet foods, drinks, supplements, etc are not covered.

Health Club Dues, Exercise Programs or Personal Trainers - Must be incurred for a specific medical condition. Requires a Letter of Medical Necessity or Certification of Medical Necessity (form available from PCA). Expenses must not have begun before being diagnosed with the related condition, or dues and expenses would not be reimbursable. Once an individual no longer is in need of treatment, the health club dues would cease being reimbursable.

Supplements (including herbal, naturopathic, holistic and homeopathic remedies and medications) - Must be for a specific medical condition. If procured from other than a practitioner and indicating the diagnosis on the bill of sale, reimbursement of these items would require a Letter of Medical Necessity or Certification of Medical Necessity (form available from PCA).

Capital Expenditures (e.g.: wheelchair, elevator, spa, air conditioner, special mattress) - A capital expenditure is the expense for an item that has a useful life that extends beyond the end of the tax year. An item that is permanently attached to a dwelling (such as an elevator or in-ground spa) can only be reimbursed to the extent that its cost exceeds the dwelling's increase in value. If the item is used by others as well as the sick or injured person, only a prorated amount can be reimbursed. A special version of an otherwise personal item (such as an orthopedic mattress) can be reimbursed only to the extent of the increased cost. There are three different types of capital expenditures: Non-permanent; permanent; and operation and maintenance of a capital asset. A non-permanent capital expenditure can qualify as medical care if it is purchased for the sole use of the sick or injured person. To qualify as non-permanent, the item must not permanently increase the value of the property. A permanent capital expenditure (such as an elevator) may qualify as medical care, but only to the extent that the expenditure exceeds the increase in the value of the related property. Normally, if a capital expenditure qualifies as a medical expense, then the costs for operating and maintaining that item will also qualify, provided that the original medical reason is still valid. Would require a Letter of Medical Necessity or Certification of Medical Necessity (form available from PCA).