Want a convenient way to manage your out-of-pocket health care expenses? Enroll in a Flexible Spending Account (FSA).

FSAs are IRS regulated accounts offered through your employer. You set aside pre-tax dollars to cover qualified medical expenses, while decreasing your taxable income and possibly increasing your take home pay. Those dollars are available to you to cover eligible medical expenses including dental, vision, and even orthodontia.

The amount of money you save in taxes depends, in part, on the elections you make. You should carefully estimate the total amount you elect to set aside in your account.

If you overestimate the amount you think you will spend on a certain reimbursement benefit in a given year, you cannot keep the unused money as cash. You are also unable to use unspent money for any expense other than the type of expense designated for it.

Once enrolled, you may not change your annual election amount. According to IRS regulations, you may only change your elections at the beginning of each plan year unless you experience a change in your family status. A change of family status may include marriage, divorce, birth, adoption, death or a loss of spouse’s employment. Changes in the contribution amount must be consistent with the change in your family status.

For example, if you gain a dependent, you increase your contribution; if you lose a dependent, you decrease your contribution. Contact your Human Resources Department if you experience a change in status.

An FSA calculator can assist you in more carefully determining the amount that’s right for you.

With Nova you have access to your account information 24/7 at myflexspend.com, so you can check your account balance and claims information.

<table>
<thead>
<tr>
<th>FSA OPTIONS</th>
<th>You can set aside pre-tax dollars to pay for eligible out-of-pocket medical, dental and vision expenses not covered under your health plan. FSA annual elections are available on the first day of the plan year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRIBUTION LIMITS</td>
<td>Your employer sets the annual minimum and maximum contribution amount (not to exceed more than $2,700 per plan year). For help in estimating the right amount to set aside visit novahealthcare.com</td>
</tr>
<tr>
<td>ELIGIBLE EXPENSES</td>
<td>Medical expenses are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body. These expenses include payments for legal medical services rendered by physicians, surgeons, dentists, and other medical practitioners. They include the costs of equipment, supplies, and diagnostic devices needed for these purposes. Medical care expenses must be primarily to alleviate or prevent a physical or mental defect or illness. They don't include expenses that are merely beneficial to general health, such as vitamins or a vacation. Qualified medical expenses are defined by the IRS and do not include long-term care expenses and insurance premiums. Certain over-the-counter items require a doctor’s prescription in order to be considered for reimbursement. You can view a listing of eligible expenses at novahealthcare.com/fsaextras, or refer to IRS Publication 502 for comprehensive overview of includible expenses.</td>
</tr>
<tr>
<td>UNIQUE TO YOUR PLAN</td>
<td>The following items will be unique to your employer. Please confirm the following with your Human Resources department or call Nova’s Customer Service department at 1-877-268-3799. • Nova Innovations Prepaid Visa Card may be available • You may enroll regardless of your health insurance benefit selections • This plan is only available as long as you are employed with your current employer • Plan dollars may need to be used within your plan year, grace period or may roll over. This varies by plan.</td>
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</table>
How is my plan regulated?
FSA plans are sanctioned and regulated by the IRS. Nova follows all procedures in accordance with IRS regulations, including determining qualified expenses.

Do health insurance premiums paid by me or my spouse qualify as an eligible expense?
Premium payments are only eligible for reimbursement if your employer offers an Individual Premium Plan.

Do I have to enroll in my employer’s medical or dental plan in order to enroll in this plan?
No, enrollment in other group plans is not required in order to participate in this plan.

Does enrollment in an FSA affect any other benefits?
Typically, no. Other employer-sponsored benefit plans, such as life insurance or disability income, are based on your gross salary prior to any salary reduction. However, you are saving on Social Security taxes, so your Social Security benefits may be minimally impacted.

When can I enroll in the plan?
You can only enroll in the plan during your employer’s annual open enrollment or when you become newly eligible due to a qualifying event during the plan year. Your employer will notify you each year when it is time to re-enroll.

What if I terminate employment, can I still file claims?
Yes. You can file claims for qualified expenses on services received prior to the date of your termination through the run-out period of the plan or as allowed by your employer. Check with your HR/Benefits Department.

What is a grace period?
A grace period is when the plan sponsor provides a period of up to 2½ months after the end of the plan year so any qualified medical expenses incurred in that period can be paid from any funds left in the account at the end of the previous year. Your employer is not permitted to refund any part of the balance to you.

What is a run-out period?
A run-out period is a pre-determined timeframe after the plan year ends when you may file claims for expenses incurred during the previous plan year.

How do I file for reimbursement?
Claims can be submitted through your online web portal at myflexspend.com. If you wish to submit a paper claim, forms are available online through the web portal or novahealthcare.com/Members/MemberResources. Forms can be returned with qualified documentation (an original invoice or Explanation of Benefits) by mail or fax.

Mail: Nova Healthcare Administrators
an Independent Health Company
PO Box 1534
Buffalo, NY 14221
Fax: (716) 774-8092

Is direct deposit for claim reimbursement available?
Please check with your employer to determine whether direct deposit is offered through your plan. If so, participants can elect to have reimbursements deposited directly into their savings or checking account. Participants must complete a direct deposit authorization agreement and submit it to Nova. Forms are available online at myflexspend.com or can be requested through Nova’s Customer Service Department at (716) 505-8566 or 1-877-268-3799.

How will I know the status of my account?
Each reimbursement check you receive will include an account summary. You will receive an annual statement on your account. You can also access your account information and other valuable information any time by logging into Nova’s secure web portal at myflexspend.com.

Who should I call with additional questions?
Contact your HR/Benefits Department or Nova’s Customer Service Department at (716) 505-8566 or 1-877-268-3799, Monday through Friday between 8 a.m. and 8 p.m. ET.

How do I know what over-the-counter expenses require a doctor’s prescription for reimbursement?
The Patient Protection and Affordable Care Act has changed the way over-the-counter (OTC) medications and other non-prescription items will be reimbursed through flexible spending accounts (FSAs), health savings accounts (HSAs) and health reimbursement arrangements (HRAs) if your health care plan benefits allow for OTC reimbursements. For a comprehensive list of eligible expenses, please visit www.irs.gov.
Eligible Health Care Reimbursement Expenses

Eligible expenses typically include medical, dental and vision expenses for services incurred during the plan year for the diagnosis, treatment or prevention of disease. Also included are out-of-pocket costs beyond what your health plan has paid for a service, such as copays. Eligible expenses are determined by the IRS. Services performed solely for cosmetic reasons generally are not eligible.

To access a full list of eligible items, visit novahealthcare.com and click on Member Resources under the Members tab then select the Eligibility List in Reimbursement Account Resources.

Examples of Eligible Health Care Expenses

- Acupuncture
- Alcoholism/drug treatment
- Ambulance
- Anesthesiologist
- Artificial limbs
- Birth control pills
- Braille books/magazines
- Braces
- Child-birthing classes
- Chiropractor
- Clinics
- Coinsurance
- Contact lenses
- Contact lens supplies
- Crutches
- Deductibles
- Dental treatments
- Dermatologist
- Eye exam
- Eye glasses
- Prescription sunglasses
- Fertility treatment
- Gynecologist
- Guide dog
- Hearing aid
- Hospitalization
- Insulin
- Laboratory fees
- Lasik surgery
- Neurologist
- Nursing services
- Ophthalmologist
- Orthodontia
- Osteopath
- Over-the-counter medication**
- Oxygen
- Pediatrician
- Physical exam
- Pre-existing conditions
- Prescription drugs
- Psychiatric care
- Psychoanalysis
- Psychologist
- Radial keratotomy
- Reasonable and customary charges (amounts in excess of)
- Smoking cessation program
- Special education
- Special home for mentally handicapped
- Sterilization
- Support or corrective devices (such as orthopedic shoes)
- Surgeon
- Transplant
- Transportation
- Vaccine
- Vasectomy
- Vision care
- Wheelchair
- X-rays

Health Care Expenses Not Eligible for Reimbursement

- Cosmetic services and procedures***
- Medications specifically used for cosmetic purposes
- Funeral expenses
- Food for weight loss programs***
- General health and personal use over-the-counter items (including vitamins, nutritional supplements for general well-being, and cosmetics)
- Teeth whitening
- Diaper service
- Health and beauty aids
- Insurance premiums

* Benefits vary by plan. Please see your benefit summary for details.
** Prescription requirement may apply.
*** Not deemed medically necessary.
Eligible Health Care Reimbursement Expenses

**Important Information: Over-the-Counter Medications**

Under the Affordable Care Act, over-the-counter (OTC) medicines (specifically those with an active medical ingredient) require a physician’s prescription to be eligible for reimbursement through flexible spending accounts (FSAs), health savings accounts (HSAs) and health reimbursement arrangements (HRAs). Insulin is the only exception to this provision and can be reimbursed without a prescription.

OTC items for medical care that are not drugs or medicine are still reimbursable through a FSA, HSA or HRA without a physician’s prescription.

Examples of items that **DO** require a doctor’s prescription for reimbursement:

- Acne treatments
- Allergy and sinus medicine
- Antacids
- Anti-diarrheals
- Anti-itch treatments
- Baby rash ointment/cream
- Cold sore treatments
- Cough, cold and flu remedies
- Feminine personal care treatments
- Hemorrhoidal treatments
- Laxatives
- Nasal sprays
- Nicotine gum and patches
- Oral pain remedies
- Pain relief
- Sleep aids
- Stomach and digestive aids
- Wart removers

Examples of items that **DO NOT** require a prescription for reimbursement:

- Athletics braces
- Bandages
- Baby thermometers
- Blood glucose monitors and test strips
- Blood pressure monitors
- Breast pumps and accessories
- Broad spectrum sunscreen
- Contact lens solution
- Eyeglass and lens accessories
- First aid kits
- Hearing aid batteries
- Heating pads and wraps
- Incontinence products
- Orthopedic support
- Pregnancy and fertility tests
- Reading glasses
- Sunscreen protection lip balm
- Wheelchairs and accessories

If you have an FSA/HRA debit card, it may be used to purchase an OTC medication with a valid prescription. Reimbursement requests for the purchase of a qualified OTC medication not paid for with a medical expense debit card may be submitted directly to Nova with the appropriate documentation. This includes a completed claim form, detailed purchase receipt and copy of prescription.

**Eligible Expenses Made Easy**

Nova partners with FSA Store, an e-commerce site exclusively stocked with FSA-eligible products, to help you spend and manage your reimbursement account(s). FSA Store identifies, very specifically, every item eligible per IRS guidelines. This includes items like sunscreen and lip balm, which are only eligible when they feature broad spectrum protection. For more information on eligible products, reimbursement account calculator and other tools, visit [FSAStore.com/NovaOE](http://FSAStore.com/NovaOE).

![FSA Store $10 Off Coupon](image)
Why This...Not That?

The IRS has a very specific definition for items eligible reimbursement through a reimbursement account. These expenses typically include medical, dental and vision expenses for services incurred during the plan year for the diagnosis, treatment or prevention of disease. It is often difficult to differentiate between eligible and ineligible items because items in the same category can be both eligible and ineligible.

There are many items with unique qualities that cause one version to qualify as an eligible expense and another to remain unqualified. Several examples appear below and you will note the requirement that each item be used to diagnose, treat or prevent disease.

<table>
<thead>
<tr>
<th>Eligible</th>
<th>Ineligible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sunscreen</strong></td>
<td>Products with an SPF less than 15, even if it is broad spectrum, have not been shown to protect against skin cancer and early skin aging. They have been shown only to help prevent sunburn.</td>
</tr>
<tr>
<td>Primary use must be for protection against skin cancer and premature skin aging with indication of UVA and UVB protection (broad spectrum) and 15 and above (15+).</td>
<td></td>
</tr>
<tr>
<td><strong>Compression Hosiery</strong></td>
<td>Hosiery with a medical compression less than 30.</td>
</tr>
<tr>
<td>Medical Compression 30-40 and above; any compression of Anti-Embolism Stockings, Ulcer Care Compression or Lymphedema. Treats condition-specific medical conditions such as anti-embolism, ulcer care or lymphedema.</td>
<td></td>
</tr>
<tr>
<td><strong>Eyeglasses and Maintenance Accessories</strong></td>
<td>Fashion eyeglasses and sunglasses, chains, cases, etc.</td>
</tr>
<tr>
<td>You can include in medical expenses amounts you pay for eyeglasses and contact lenses needed for medical reason. This includes accessories used to maintain corrective lenses and frames.</td>
<td></td>
</tr>
<tr>
<td><strong>Lip Balm</strong></td>
<td>Any lip balm without an SPF or with an SPF less than 15 or any lip balm with an SPF 15+ that does not provide broad spectrum coverage.</td>
</tr>
<tr>
<td>Lip balms which are part of a sun care line and have an SPF15+ and state UVA/UVB are eligible.</td>
<td></td>
</tr>
<tr>
<td><strong>Quitting Smoking</strong></td>
<td>You can't include in medical expenses amounts you pay for drugs that don't require a prescription, such as nicotine gum or patches, that are designed to help stop smoking.</td>
</tr>
<tr>
<td>You can include in medical expenses amounts you pay for a program to stop smoking. Smoking aids like nicotine gum and patches are eligible when accompanied with a prescription from a doctor.</td>
<td></td>
</tr>
</tbody>
</table>

To access a full list of eligible items, please visit novahealthcare.com/members. The member resources page includes an FSA HSA Eligibility List which is regularly updated. Through Nova’s FSA Store, you will have access to a store full of products pre-qualified as eligible per IRS regulations. And, since the store is updated regularly you can be confident your purchases qualify for reimbursement.
Nova Healthcare Administrators partners with FSA Store, the only e-commerce site exclusively stocked with FSA eligible products, to help you spend down and manage your FSA. FSA Store and Nova Healthcare Administrators work together to eliminate the guesswork behind what is reimbursable by an FSA.

Our partnership gives you access to tools such as a Dynamic Eligibility List, an FSA Calculator, and a Learning Center to help answer all your FSA questions.

Visit https://www.novahealthcare.com/fsaextras today!

Exclusively stocked with eligible products.
Eliminate eligibility guessing games.
Estimate your annual FSA spending.
Receive deadline reminders.
Get answers to all your FSA questions!

Spend down and manage your FSA

$10 OFF

1 use per customer. Cannot be combined with other offers.