

Capital Expense Worksheet



Pay yourself back for medically necessary special equipment

You may be able to use funds from your health savings account (HSA), flexible spending account (FSA), or health reimbursement account (HRA) to pay for certain special equipment you put in in your home. The main purpose of the equipment must be to help with medical care for you, your spouse, or your dependent(s). This means the equipment must be medically necessary. Examples of special equipment include elevators, chair lifts, ramps, and hot tubs.

**FOR INTERNAL USE ONLY:
CORR TYPE - DC**

EQUIPMENT INSTALLATION – WHAT TO THINK ABOUT

When you put in special equipment for health reasons, it may raise the property value of your home.

1. To determine whether you can use HSA, FSA, or HRA funds to pay for the equipment, you'll need to keep detailed receipts of what you spend. The IRS has strict rules about using money from these accounts to pay for these items.
2. You'll also need to know whether the value of your property increases because of the equipment you add. To find this out, you'll need to get an official appraisal of your home.

How much can you spend from your HSA, FSA, or HRA?

- If the value of your home increases, you'll need to subtract that amount from what you paid for the equipment. Any balance left over is then an eligible medical expense that you can pay for with your account funds.
- If the value of your home does not increase, the entire cost of the home improvement is an eligible medical expense. The amount of money you can use from your account to pay for the equipment is then the cost of the expense divided by the number of people living in the home.

WORKSHEET EXAMPLE – SAMPLE SCENARIO

Let's say you have a heart condition. Your doctor suggests adding an elevator in your home so you don't have to climb stairs. The elevator costs \$10,000. A professional appraisal shows the elevator raises the value of your home by \$5,000. There are three other people living in your home who have no medical conditions, but who also may use the elevator. Here's how you might calculate your eligible medical expense:

1	Enter the amount you paid for the elevator (<i>use your receipts</i>)	\$10,000.00
2	Enter the value of your home immediately <i>after</i> the improvement*	\$155,000.00
3	Enter the value of your home immediately <i>before</i> the improvement*	\$150,000.00
4	Subtract line 3 from line 2. This is the increase in the value of your home. <ul style="list-style-type: none"> • If line 4 is more than, or equal to, line 1, the cost of the home improvement is not an eligible expense. Stop here. • If line 4 is less than or equal to line 1, go to line 5. 	\$5,000.00
5	Subtract line 4 from line 1.	\$5,000.00
6	Divide line 5 by the number of people living in your home. The total is what you may submit on a claim as a total medical expense (<i>\$5,000/4 people</i>).	\$1,250.00

*A professional appraisal must be used to determine the before and after value of your home. The cost of the appraisal is not an eligible medical expense.

Capital Expense Worksheet



PRINT THIS PAGE

YOUR WORKSHEET	
1	Enter the amount you paid for the special equipment (<i>use your receipts</i>)
2	Enter the value of your home immediately <i>after</i> the improvement*
3	Enter the value of your home immediately <i>before</i> the improvement*
4	Subtract line 3 from line 2. This is the increase in the value of your home. <ul style="list-style-type: none">If line 4 is more than, or equal to, line 1, the cost of the home improvement is not an eligible expense. Stop here.If line 4 is less than or equal to line 1, go to line 5.
5	Subtract line 4 from line 1.
6	Divide line 5 by the number of people living in your home. The total is what you may submit on a claim as a total medical expense.

*A professional appraisal must be used to determine the before and after value of your home. The cost of the appraisal is not an eligible medical expense.

OPERATION AND UPKEEP OF EQUIPMENT
<p>You may also use funds from your HSA, FSA, or HRA to pay for the operation and maintenance of any special equipment. You must be using the equipment for a medically necessary reason. You may use your account funds for operation costs even if you weren't able to use the funds to pay for the installation of the equipment itself.</p> <ul style="list-style-type: none">For example, the cost of the electricity and maintenance required to operate an elevator are eligible medical expenses as long as you use the elevator for a valid medical reason.Keep receipts for what you spend. We will need to see these receipts if you submit a claim.The receipts should document what you spend separately from your general household utility or other payments.

TO SEND IN A CLAIM
<p>If you'd like to submit a claim to use your health care spending account to pay for the installation or operating costs of special equipment, complete the following steps.</p> <ol style="list-style-type: none">Complete a Health Care Reimbursement Request Form and include receipts for what you spent. Search and download the form on the Cigna.com website www.Cigna.com. If we approve your claim, you can pay yourself back using funds from your spending account.Include a Letter of Medical Necessity from your doctor or other health care provider. The letter should explain why you need the special equipment and the medical condition you have.Complete and send us the Worksheet above filled in with your calculations.Get a professional appraisal from a third party that shows the value of your home before and after you install the equipment. The cost of the appraisal is not an eligible medical expense.

FAX OR MAIL YOUR REIMBURSEMENT REQUEST FORM AND OTHER DOCUMENTS TO:

Fax: 1.877.823.8953 or 859.410.2432

Cigna, P.O. Box 182223, Chattanooga, TN 37422-7223, Attention: Claims Department

For questions, call us toll-free at 1.800.Cigna24 (1.800.244.6224) or use the number on your Cigna ID card.

