

*Using a limited health care
flexible spending account*



More savings, more coverage

Here are some facts to know about using a limited flexible spending account (limited FSA). Limited FSAs can be used in conjunction with **PriorityHSA** — the high-deductible health plan from Priority Health that includes an HSA (health savings account).

What is a limited flexible spending account?

A limited flexible spending account is a pretax, money-saving option that can be combined with a high-deductible health plan (HDHP) and health savings account (HSA) to help cover specific health care expenses.

Why should I consider contributing to a limited flexible spending account in addition to a health savings account?

There are two good reasons:

Tax shelter. Consider this if you're making the maximum annual contribution into your health savings account and your goal is to save these dollars for the future. By adding a limited flexible spending account, you can set aside even more money on a tax-free basis to pay for the current year's vision, dental, preventive care and post-deductible expenses.

Timing. Consider this if you need money for vision, dental, preventive care or post-deductible expenses early in the year. Your limited flexible spending account will reimburse these expenses up to your annual contribution even before you've made enough payroll contributions to cover the expense.

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Can I enroll in a traditional flexible spending account with my health care spending account and high-deductible health plan?

No. If you're covered under a traditional flexible spending account, you are not eligible to make contributions to a health savings account. A limited FSA is your only option.

What expenses are eligible under a limited flexible spending account?

Expenses are limited to dental, vision and preventive care. The limited flexible spending account can also reimburse medical expenses incurred after the health plan deductible is met. Some examples include:

Dental: cleanings, fillings, crowns and orthodontics

Vision: contact lenses, eyeglasses, refractions and vision correction procedures

Coinsurance, copays and other medical expenses

Whose expenses will the limited FSA reimburse?

A limited flexible spending account can reimburse your expenses and expenses of your spouse and other qualified dependents – even if they aren't covered by your high-deductible health plan.

What is the contribution limit?

Your employer sets the contribution limit, just like they do with a traditional flexible spending account.

Do unused funds in a limited flexible spending account carry over to the next year?

No. Funds in your limited flexible spending account don't carry over from year to year and they can't be transferred into an alternate account. They're "use-it or lose-it" funds.

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*For more information about limited flexible spending accounts and **PriorityHSA**, see your benefits administrator. Or go to priorityhealth.com*