

# MONEY MATTERS



## Getting The Most From Your Medical Spending Account

(NAPSA)—Since March 2005, the number of Americans with medical spending accounts has tripled to more than 3 million. As health care costs continue to rise, these accounts have become a popular tax-smart way for eligible workers to stretch their paychecks and pay some routine medical expenses, as well as doctor and hospital visits.

With more than 94 percent of employers offering such plans, medical spending accounts allow employees to set aside a certain amount of each paycheck into an account—in pretax dollars. During the year, participants have access to this account for reimbursement of medical expenses not covered by insurance, such as health insurance co-pays or necessary medical products.

Planning makes perfect for people who participate in these accounts, especially as the end of the year approaches. Participants are faced with a dilemma of how to spend their unused medical spending dollars, instead of forfeiting them back to their employers once the annual deadline expires. Participants give back millions every year, yet they often feel they don't have any options for using up the funds.

Kevin McCallum, a senior vice president with 1-800 CONTACTS, notes that medical spending account participants should consider purchasing long-term supplies of certain medical products, such as contact lenses, as an option to make good use of their funds.

“On average, more than \$100 each year in flexible medical accounts are surrendered by



**Contact lenses can be an effective way to cash out a medical spending account at year's end.**

employees,” says McCallum. “Many consumers don't realize that with a little advanced planning, they can spend this money wisely and prepare for expenses they might otherwise encounter next year. Contact lenses fall into this category.”

Some companies offer incentives that encourage medical spending account participants to spend their remaining funds and get excellent values. For example, 1-800 CONTACTS offers \$20 to \$60 rebates off a year's supply of contact lenses from a variety of the most popular brands.

“Our rebates are a value-added service for our customers who seek savings in buying bulk quantity,” says McCallum. “It makes economical sense for our medical spending account customers to spend their money now, rather than lose it later.”

As the year winds down, plan participants should think ahead about how to use any remaining funds. If you are a contact lens wearer, this is one option you may not want to overlook.