

## **Change in Coverage for Procedures that are Purely Cosmetic**

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*August 20, 2010*

Expenses for purely cosmetic procedures will no longer be eligible for reimbursement under Healthcare Spending Accounts or Medical Reimbursement Plans.

This change was necessitated by the federal government's Budget 2010 decision earlier this year to exclude these cosmetic procedures from eligibility for the Medical Expense Tax Credit, which is part of the federal Income Tax Act. As a result of this change to the Income Tax Act, insurance carriers can no longer reimburse purely cosmetic medical or dental expenses (and related services and other expenses, such as travel), based on its contract wording and product design. Expenses that will be ineligible generally include surgical and nonsurgical procedures aimed at enhancing one's appearance.

Some examples are:

- Liposuction
- Hair replacement procedure
- Botulinum toxin injections
- Teeth whitening

It is important to note that cosmetic services that are necessary for medical or reconstructive purposes may still be eligible.

A cosmetic procedure, including those identified above, will continue to qualify for reimbursement if it is required for medical or reconstructive purposes, such as surgery to address a deformity connected to a congenital abnormality, a personal injury resulting from an accident or trauma or a disfiguring disease.

Claims submitted for cosmetic procedures that are medically necessary should include a doctor's referral that states the nature of the illness and the reason for treatment. Otherwise, such claims will be declined.

For more information on which medical expenses qualify for a Medical Expense Tax Credit, see <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns300-eng350/330/llwbl.html> or contact the Canada Revenue Agency at 1-800-959-8281.