



American Association of Oral and Maxillofacial Surgeons

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AAOMS and Organized Dentistry Coalition advocate for increase to the annual Flexible Spending Account cap

[June 2, 2016, Rosemont, IL] A [letter written by the American Association of Oral and Maxillofacial Surgeons \(AAOMS\)](#) and co-signed by the American Dental Association and nine other dental groups comprising the Organized Dentistry Coalition, urges the House Ways and Means Health Subcommittee to recognize and alleviate the burden placed on consumers by escalating out-of-pocket health care costs by increasing the annual Flexible Spending Account (FSA) cap from \$2,550 a year to \$5,000.

The FSA, also known as a Flexible Spending Arrangement, is a tax-free spending account, usually funded through voluntary salary reduction agreements between employees and employers, which allow consumers to pay for qualified out-of-pocket health care costs.

The letter, sent May 25, 2016 in response to a May 17, 2016 Subcommittee hearing on tax proposals to improve health care, points out that out-of-pocket costs for “traditional” medical insurance routinely exceed the current \$2,550 cap, and when compounded by such factors as rising deductibles, co-pays and prescription medication costs, some patients are forced to forego necessary treatment, including dental care. According to the [2015 Milliman Medical Index](#), consumers spent an average of \$4,065 for out-of-pocket healthcare expenses in 2015.ⁱ This is nearly double the amount consumers are allowed to save under the current FSA restrictions.

The Coalition letter notes that “Many common and necessary dental procedures such as dental implants, a set of braces, a root canal, or even the extraction of an abscessed tooth require out-of-pocket spending. By restricting consumers to save only 50 percent of what they can expect to spend out of pocket, we are forcing them to make critical medical decisions based on what they can afford, not on what is medically necessary.”

The ODC has asked the Subcommittee to consider legislation which would enable consumers to drive their own health care spending, citing [H.R. 1185](#) as an example. In addition to increasing the annual FSA cap to \$5,000 per year H.R. 1185 would:

- Add an additional \$500 to the FSA savings cap for each dependent above two dependents;
- Better prepare families for expected and unanticipated health care costs by allowing them to carry over unused funds and eliminating the IRS's onerous "use it or lose it rule."

"This common sense legislation would be a huge step in the right direction and we would strongly encourage the committee to include this legislation as it considers tax-related proposals to improve health care," the letter concludes.

ⁱ 2015 Milliman Medical Index, <http://www.milliman.com/uploadedFiles/insight/Periodicals/mmi/2015-MMI.pdf>



The experts in face, mouth and jaw surgery™ - The American Association of Oral and Maxillofacial Surgeons (AAOMS) is the professional organization representing more than 10,000 oral and maxillofacial surgeons, OMS residents and professional allied staff in the United States. AAOMS supports its fellows' and members' ability to practice their specialty through education, research and advocacy. AAOMS fellows and members comply with rigorous continuing education requirements and submit to periodic office anesthesia evaluations. For additional information about oral and maxillofacial surgery, visit the AAOMS website at <http://www.aaoms.org>.