

# Eligible Medical Expenses for Health Savings Accounts



An eligible expense is an expense paid for medical care as defined in Section 213(d) of the Internal Revenue Code. Below are two lists that may help determine whether an expense is eligible.

The Internal Revenue Service has not issued a list of eligible medical expenses specific to health savings accounts. However, IRS Publication 502 lists many of the expenses for medical care (as defined under Section 213(d) of the Code) that are eligible for reimbursement from an HSA. Please keep in mind that this is a guide only and is not an exact list of eligible medical expenses. You may order Publication 502 directly from the IRS by calling (800) 829-3676. If tax advice is required, you should seek the services of a competent professional.

## Eligible medical expenses

Acupuncture	Home test kits	Physician
Alcoholism treatment	Hospital services	Physiotherapist
Ambulance	Hydrotherapy	Podiatrist
Anesthetist	Insulin and diabetic supplies	Pre- and post-natal care
Artificial limbs	Lab tests	Prescription drugs and medicines
Asthma treatments	Lead-based paint removal	Psychiatrist
Birth control pills	Metabolism tests	Psychologist
Blood tests	Neurologist	Psychotherapy
Blood transfusions	Non-prescription drugs and medicines* (for medical care)	Radium therapy
Braces	Nursing services (for medical care)	Registered nurse/practical nurse
Cardiographs	Obstetrician	Smoking cessation programs
Chiropractor	Operating room costs	Splints
Contact lenses and solution	Ophthalmologist	Sterilization procedures
Contraceptive devices	Optician	Telephone or TV equipment to assist the hearing-impaired
Convalescent home (for medical treatment only)	Oral surgery	Transportation expenses (when essential to medical care)
Crutches	Organ transplant (including donor's expenses)	Vaccines and immunizations
Dental treatment and x-rays	Orthodontia	Vision correction surgery
Dentures	Orthopedic shoes and inserts (for medical care)	Walkers
Diagnostic tests and services	Orthopedist	Weight-loss programs (as treatment of a specific disease diagnosed by a physician such as hypertension or heart disease)
Drug addiction treatment	Osteopath	Wheelchair/Autoette (when used for relief of sickness/disability)
Eyeglasses (needed for medical reasons)	Over-the-counter supplies (for medical care, e.g. bandages)	X-rays
Fluoridation services	Oxygen and oxygen equipment	
Guide dog or other service animal	Pediatrician	
Gynecologist		
Hearing aids and batteries		

\*Non-prescription drugs and medicines (examples listed below) purchased on or after Jan. 1, 2011, are eligible medical expenses **only** if you have a prescription from your physician or other health care professional. Prescription means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and is issued by an individual who is legally authorized to issue a prescription in that state.

Allergy medications	Cold medicine	Laxatives
Antacids	Cough suppressants	Motion sickness pills
Antibiotic ointments	Decongestants	Nicotine gum and patches
Antihistamines	Eye drops	Pain relievers
Anti-diarrhea medicine	First aid creams	Sinus medication and nasal sprays
Calamine lotion	Hemorrhoid treatments	Sleep aids
		Wart removal medication

## Ineligible medical expenses

Advanced payment for services to be rendered next year	Funeral, cremation, or burial expenses	Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
Athletic club membership	Hair transplants	Special foods and beverages
Automobile insurance premium allocable to medical coverage	Health programs offered by resort hotels, health clubs and gyms	Suntan lotion
Boarding school fees	Herbs	Swimming pool
Bottled water	Illegal operations and treatments	Teeth whitening
Commuting expenses of a disabled person	Illegally procured drugs, including drugs imported from other countries	Travel for general health improvement
Cosmetic surgery and procedures	Late fees and missed appointment fees	Vitamins, nutritional supplements, and dietary supplements to maintain general health
Cosmetics, hygiene products, toiletries and similar items	Lip balm (including chapstick and carmex)	Weight loss programs and drugs for general health
Diapers or diaper service	Maternity clothes	
Diet foods	Medicated shampoos and soaps	
Electrolysis or hair removal	Non-prescription drugs and medicines without a prescription	

In general, health plan premiums are an ineligible medical expense for HSAs. However, there are several exceptions to this. HSA funds may be used to pay for:

1. Health plan premiums during any period of continuation of coverage required under federal law (COBRA).
2. The tax-deductible portion of the premium for a qualified long-term care insurance contract.
3. Health plan premiums during a period in which the individual is receiving unemployment compensation under any federal or state law.
4. For individuals age 65 and older, premiums for a health plan **other than** a Medicare supplement policy (Medicare premiums, premiums for individual health insurance, and retiree medical premiums under an employer plan).

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