

# HSA

## Health Savings Accounts



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## HSA Examples of Eligible Expenses

Your Health Savings Account may reimburse:

- Qualified medical expenses incurred by the account beneficiary and his or her spouse and dependents;
- COBRA premiums;
- Health insurance premiums while receiving unemployment benefits;
- Qualified long-term care premiums\*; and
- Any health insurance premiums paid, other than for a Medicare supplemental policy, by individuals age 65 or older.

Distributions made from an HSA to reimburse the account beneficiary for eligible expenses are excluded from gross income.

### Qualified Medical Expenses

The Internal Revenue Service defines **qualified medical care expenses** as amounts paid for the diagnosis, cure or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental defect or illness.

The products and services listed below are examples of medical expenses eligible for payment under your **Health Savings Account**, when such services are not covered by your high-deductible health plan. To be an expense for medical care, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness. **This list is not all-inclusive; additional expenses may qualify, and the items listed below are subject to change in accordance with IRS regulations.**

Under a rule that went into effect January 1, 2011, claims for over-the-counter medicine or drug expenses (other than insulin) cannot be reimbursed without a prescription. This rule does not apply to items for medical care that are not medicines or drugs.

- |                               |                                     |  |
|-------------------------------|-------------------------------------|--|
| • Abortion                    | • Birth control pills               | special equipment installed to a home, if meant to accommodate a disabled condition) |
| • Acupuncture                 | • Body scan                         | • Car modifications or special equipment installed for a person with a disability    |
| • Alcoholism treatment        | • Braille books and magazines       | • Chiropractor   |
| • Ambulance                   | • Breast pumps and supplies         | • Christian Science practitioner   |
| • Annual physical examination | • Breast reconstruction surgery     |  |
| • Artificial limb             | • Capital expenses (improvements or |  |
| • Artificial teeth            |                                     |  |
| • Bandages                    |                                     |  |

*\* For purposes of reimbursement of qualified long-term care premiums from an HSA, reimbursement in excess of the amount which may be deducted on an individual's personal tax return is not an eligible expense. IRS 213(d)(10) establishes the tax deduction allowed for qualified long-term care premiums on individual tax returns. If the HSA reimburses long-term care premiums for an amount greater than set forth in IRC 213(d)(10), the amount greater than allowed is included in the account holder's taxable income and is subject to a 20% penalty.*

- Contact lenses
- Crutches
- Dental treatment (not including teeth whitening)
- Diagnostic devices
- Disabled dependent care expenses
- Drug addiction treatment
- Eye exam
- Eye glasses
- Eye surgery
- Fertility enhancement (in vitro fertilization or surgery)
- Guide dog or other service animal
- Health institute fees (if treatment is prescribed by a physician)
- Certain health insurance premiums (not premiums for an employer-sponsored plan, but certain other medical premiums)
- Intellectually or developmentally disabled care, treatment or special home
- Laboratory fees
- Lactation expenses
- Lead-based paint removal (if a child in the home has lead poisoning)
- Learning disability care or treatment
- Legal fees associated with medical treatment
- Lifetime care, advance payments or “founder’s fee”
- Lodging at a hospital or similar institution
- Long-term care
- Medical conference expenses, if the conference concerns a chronic illness of yourself, your spouse or your dependent
- Medical information plan
- Medications, if prescribed
- Nursing home fees
- Nursing services
- Operations
- Osteopath
- Oxygen
- Physical examination
- Pregnancy test kit
- Prosthesis
- Psychiatric care
- Psychologist
- Special education
- Sterilization
- Stop-smoking programs
- Surgery
- Special telephone for hearing-impaired individual
- Television for hearing-impaired individuals
- Therapy received as medical treatment
- Transplants
- Transportation for medical care
- Tuition for special education
- Vasectomy
- Vision correction surgery
- Weight-loss program if it is a treatment for a specific disease
- Wheelchair
- Wig
- X-ray

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Source: [www.irs.gov/publications/p502/ar02.html#en\\_US\\_publink1000178947](http://www.irs.gov/publications/p502/ar02.html#en_US_publink1000178947)

**Plans that do not allow reimbursement of all eligible medical expenses as defined by the IRS and Department of Treasury must customize this brochure prior to use.**

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