

HSA Eligible Expenses



Paying for qualified medical expenses such as doctor's visits and prescription medications is simple and tax free with your HRPro HSA. The money you contribute to your HSA is tax-deductible and can be used to pay for qualified medical expenses not only for yourself, but also for your spouse and tax dependents. Once you put money in your HSA, you can use it to pay for qualified medical expenses now, or save and grow your balance to use later in life or in retirement—all tax-free. Remember to contribute up to the maximum annual amount allowed by the IRS to maximize your tax savings. The 2020 maximum allowed is \$3,550 for single coverage and \$7,100 for family coverage.

What expenses qualify for reimbursement from my HSA?

To help you determine whether an expense qualifies for taxfree reimbursement under your HSA, Internal Revenue Code Section 213(d) states that eligible expenses must be made for "medical care." This is defined as amounts paid for the "diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body." Qualified medical expenses are eligible for reimbursement through your HSA as long as they are not reimbursed through insurance or other sources. The examples and requirements stated in this flyer are subject to change by the IRS.

Some Common IRS-qualified Medical Expenses

Expenses that are limited to dental and vision are identified with an * in the list below. Examples include but are not limited to:

Acupuncture	Guide dog	Physical examination
Alcoholism	Health institute	Pregnancy test kits
Ambulance	Health maintenance organization	Prepaid insurance premiums
Artificial limb	Hearing aids and batteries	Psychiatric care
Artificial teeth*	Hospital services	Psychologist
Birth control treatment	Infertility treatment	Saline Nasal Spray
Blood sugar test kits for diabetics	Laboratory fees	Special education services for learning disabilities (recommended by a doctor)
Breast pumps and supplies	Laser eye surgery*	Speech therapy
Buying or renting crutches	Long-term care	Stop-smoking programs (including nicotine gum or patches, if prescribed)
Chiropractor	Medical alert bracelet	Sterilization
Christian Science Practitioner	Medical records charges	Surgery, excluding cosmetic surgery
Contact lenses and solutions*	Medical Information Plan	Telephone equipment for hearing-impaired
Crutches	Medicare B	Telephone equipment for visually-impaired
Dental treatments (including X-rays, cleanings, fillings, sealants, braces and tooth removals*)	Medicare D	Therapy
Drug addiction	Midwife	Transplants
Drug prescriptions	Menstruation Products	Vaccines
Eye examinations	Nebulizer	Vasectomy
Eye surgery	Nursing home	Vision exam*
Eyeglasses (Rx and reading)*	Occlusal guards to prevent teeth grinding	Wheelchair
Fluoride treatments*	Orthodontics*	X-ray
Fertility enhancement (including in-vitro fertilization)	Orthotic Inserts (custom or off the shelf)	
Flu shots)	Osteopath	
	Over-the-counter medicines and drugs	
	Oxygen equipment	
	Physical therapy	

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*Examples include but are not limited to:

Common Over-the-Counter (OTC) Medicines Now an Eligible Expense*

<p>Acid controllers Acne medicine Aids for indigestion Allergy and sinus medicine Anti-diarrheal medicine Baby rash ointment</p>	<p>Cold and flu medicine Eye drops Feminine antifungal or anti-itch products Hemorrhoid treatment Laxatives or stool softeners Lice treatments</p>	<p>Motion sickness medicines Nasal sprays or drops Ointments for cuts, burns or rashes Pain relievers, such as aspirin or ibuprofen Sleep aids Stomach remedies</p>
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Services That May Be Eligible (with a Letter of Medical Necessity Completed)*

<p>Weight-loss program only if it is a treatment for a specific disease diagnosed by a physician (e.g., obesity, hypertension, heart disease)</p>	<p>Compression hosiery/socks, antiembolism socks or hose Massage treatment for specific ailment or diagnosis</p>	<p>CPR classes for adult or child Improvements or special equipment added to a home or other capital expenditures for a physically handicapped person</p>
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Examples of expenses that DO NOT qualify for reimbursement through an HSA*

<p>Babysitting, childcare, and nursing services for a normal, healthy baby Controlled substances obtained in violation of federal law Cosmetic surgery Dancing lessons Diaper service Electrolysis or hair removal</p>	<p>Funeral expenses Hair transplant Health club dues Household help Illegal operations and treatments Maternity clothes Medical Marijuana Personal use items</p>	<p>Swimming lessons Teeth whitening Toothbrush and Toothpaste Vacation or travel Veterinary fees Weight loss programs for improvement of appearance, general health, or sense of well-being</p>
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A special note on insurance premiums

Insurance premiums are generally not considered qualified medical expenses. However, the following types of insurance premiums typically do qualify:

- Continuation coverage under federal law (i.e. COBRA)
- Qualified long-term care insurance contract
- Any health plan maintained while an individual is receiving unemployment compensation under federal or state law
- For accountholders age 65 and over (i.e. those eligible for Medicare), premiums for any health insurance (including Medicare and Medicare Part D premiums) other than a Medicare supplemental policy

Important reminders about qualified medical expenses

- Items that are merely beneficial to an individual's general health, such as vitamins or dietary supplements, are not qualified medical expenses.
- Drugs must be purchased legally.
- Remember to save your receipts and your doctor's LOMN for tax purposes.
- There may be situations when your doctor recommends a treatment that will be good for your health, but it still may be considered ineligible, such as a vacation.
- As the HSA owner, you are ultimately responsible for determining whether a healthcare expense is eligible for reimbursement from your HSA.
- HRPro does not determine whether claims qualify for taxfree reimbursement.
- If an HSA expenditure is not used for a qualified medical expense, you will be required to pay income tax and a 20 percent penalty on the amount used. (The 20 percent penalty tax does not apply to payments made after your death or disability, or after you reach age 65)

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