



Health Saving Accounts

What you can (and can't) pay for with your HSA

Understanding qualified medical expenses.

You may generally know you can pay for qualified medical expenses with money from your health savings account (HSA)—but dig into the specifics and you might find some unexpected possibilities that could lead to savings.



HERE ARE SOME EXAMPLES OF QUALIFIED MEDICAL EXPENSES:¹

DENTAL

Surprise! You can use your HSA to fund big bills, like braces. It can also help cover routine dental needs, like cleanings and fluoride treatments.

VISION

Your health insurance might not cover a new pair of eyeglasses or your contact lens solution, but those expenses are qualified. Even better: so is laser eye surgery.

MEDICAL

Your HSA funds can cover medical expenses big and small, from ongoing costs, like chiropractic treatments, to unexpected ones, like crutches after an accident.

FAMILY PLANNING

Let your HSA help offset the costs of family planning. You can use your HSA for birth control pills, fertility treatments, and pregnancy tests.

POSTPARTUM CARE

Costs add up quickly when you welcome a new baby. Fortunately, your HSA can pay for supplies related to breastfeeding, including a breast pump.

SOME INSURANCE PREMIUMS

You can use your HSA to pay for premiums on long term care insurance, COBRA (health insurance you might use if you become unemployed), and even Medicare if you are age 65 or older.

HEALTH CARE-RELATED TRAVEL

Believe it or not, when you travel for surgery or medical treatment, HSA funds can help you get there. They can also cover hotel and meal expenses during your stay.



Although many medical expenses are eligible for payment or reimbursement, there are some that don't qualify.

Generally, you can't use your HSA to pay for expenses that don't meaningfully promote the proper function of the body or prevent or treat illness or disease. Nutritional supplements and weight loss programs not prescribed by a physician are examples of expenses that would not be covered by your HSA.

Qualified medical expenses may include:

- Acupuncture
- Ambulance
- Annual physical examination
- Artificial limb
- Artificial teeth
- Birth control pills prescribed by a doctor
- Breast reconstruction surgery
- Chiropractor
- Contact lenses
- Cosmetic surgery, if deemed medical care²
- Crutches
- Dental treatment
- Diagnostic devices
- Drug addiction
- Eligible long term care insurance premiums
- Eye exam
- Eyeglasses
- Eye surgery
- Fertility enhancement
- Guide dog
- Hearing aids
- Home care
- Hospital services
- Insulin
- Laboratory fees
- Lactation expenses
- Lead-based paint removal, subject to certain requirements
- Learning disability
- Lifetime care (advance payments), subject to certain requirements
- Medical information plan
- Medicines and drugs prescribed by a doctor
- Nursing home
- Nursing services
- Optometrist
- Osteopath
- Oxygen
- Psychiatric care
- Psychologist
- Qualified long term care services
- Stop-smoking programs
- Surgery
- Therapy
- Transplants
- Vasectomy
- Vision correction surgery
- Weight-loss programs for treatment of a doctor-diagnosed disease
- Wheelchair
- X-ray

It's your responsibility to determine whether a particular expense is a qualified medical expense. Keep in mind that special rules apply for HSA purposes.

Only certain health insurance premiums are reimbursable by an HSA, including:

- COBRA coverage
- Coverage while on unemployment insurance
- If age 65 or older, coverage for Medicare Parts A, B, and D, and Medicare Advantage
- If age 65 or older, coverage for employer-sponsored health insurance, including the cost of retiree health insurance

Only qualified medical expenses incurred after an HSA is established³ are eligible for payment or reimbursement from an HSA.

¹Funds from a Health Savings Account can be spent for qualified medical expenses only as described in IRS Publication 969.

²The term "medical care" is defined in IRC Section 213(d), and the term "dependent" is defined in IRC Section 152. For more information regarding HSAs and qualified medical expenses, refer to IRS Publication 969, "Health Savings Accounts and Other Tax-Favored Health Plans," as well as Publication 502, "Medical and Dental Expenses." Both are available on the IRS website at www.irs.gov. Or, you may want to contact a tax professional.

³State law determines when an HSA is established, which may be based on when the HSA was opened and funded. See your tax professional for more information on the state tax implications of HSAs.