

CBA BENEFIT SERVICES

HSA and FSA ELIGIBLE EXPENSES

What expenses qualify for reimbursement from my HSA or FSA?

To help you determine whether an expense qualifies for tax-free reimbursement under your HSA or FSA, 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 or FSA 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. For more information consult IRS Publication 502 or go to www.IRS.gov.

This list includes a few examples of qualified medical expenses:

- Acupuncture
- Alcoholism treatment
- Ambulance services
- Artificial limb or prosthesis
- Artificial teeth
- Birth control pills
- Chiropractors
- Co-insurance (health related)
- Contact lenses, saline solution/cleaner
- Crutches
- Deductibles (health related)
- Dental treatment (x-rays, fillings, extractions, dentures, braces, etc.)
- Diagnostic devices (such as a blood sugar test kit)
- Doctor’s fees
- Drug addiction treatment
- Eyeglasses, eye exams
- Eye surgery (including laser eye surgery)
- Fertility enhancement (including in-vitro fertilization)
- Guide dog (for visually-impaired or hearing-impaired)
- Hearing aids and hearing aid batteries
- Hospital services
- Insulin
- Laboratory fees
- Prescription medicines or drugs
- Nursing home, nursing services
- Operations or surgery
- Psychiatric care
- Psychologist
- Telephone equipment for hearing-impaired or visually impaired
- Therapy or counseling
- Transplants
- Transportation for medical care
- Vasectomy
- Wheelchair
- X-rays

Some ineligible expenses: (not a complete list):

- Cosmetic surgery
- Diaper service
- Electrolysis or hair removal
- Hair transplant
- Health club dues
- Household help
- Maternity clothes
- Nutritional supplements such as multi-vitamins for general health
- OTC medications (without a doctor’s prescription)
- Personal use items
- Teeth whitening

Special Rule for HSAs:

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

- 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
- Medicare A,B,C,D but not Medicare supplement policies

Changes to over-the-counter expenses in 2011:

Effective January 1, 2011, expenses for over-the-counter (OTC) drugs will not be eligible for payment or reimbursement without a doctor’s prescription. This change is a result of new healthcare reform legislation. A few examples of OTC medicines requiring a doctor’s prescription for payment or reimbursement are:

- Acid controllers
- Allergy and sinus medications
- Cold, cough, and flu medications
- Pain relief medications
- Sleep aids and sedatives

Remember to save your receipts and your doctor’s prescriptions for OTC medicines for tax purposes (HSAs) and for FSA reimbursements.



Some expenses are “dual purpose” and are potentially eligible for reimbursement or payment. If you have additional questions about qualified medical expenses contact us at:

614-880-0068, toll free 1-866-880-0068.