



# Brown & Brown

## HSA Examples of Eligible Expenses

Your OHM Advisors health savings account (HSA) 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; and
- Certain personal protective equipment (PPE)—such as masks, hand sanitizer and sanitizing wipes—used for the primary purpose of preventing the spread of COVID-19.

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 (IRS) 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 HSA, 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. For more information or clarification on individual list items, refer to [Publication 502](#) or consult a tax professional.

- Abortion
- Acupuncture
- Alcoholism
- Ambulance
- Annual physical examination
- Artificial limb
- Artificial teeth
- Bandages
- Birth control pills
- Body scan
- Braille books and magazines
- Breast pumps and supplies
- Breast reconstruction surgery
- Capital expenses
- Car
- Chiropractor
- Christian Science practitioner
- Contact lenses
- Crutches
- Dental treatment
- Diagnostic devices
- Disabled dependent care expenses

- Drug addiction
- Drugs
- Eye exam
- Eyeglasses
- Eye surgery
- Fertility enhancement
- Founder's fee
- Guide dog or other service animal
- Health institute
- Health maintenance organization (HMO)
- Hearing aids
- Home care
- Home improvements
- Hospital services
- Insurance premiums
- Laboratory fees
- Lactation expenses
- Lead-based paint removal
- Learning disability
- Legal fees
- Lifetime care—advance payments
- Lodging
- Long-term care
- Meals
- Medical conferences
- Medical information plan
- Medicines
- Nursing home
- Nursing services
- Operations
- Optometrist
- Organ donors
- Osteopath
- Oxygen
- PPE used for the primary purpose of preventing the spread of COVID-19, such as:
  - o Masks
  - o Hand sanitizer
  - o Sanitizing wipes
- Physical examination
- Pregnancy test kit
- Premium tax credit
- Prescribed weight-loss programs
- Prescription drugs
- Prosthesis
- Psychiatric care
- Psychoanalysis
- Psychologist
- Special education

- Special home for intellectually and developmentally disabled
- Sterilization
- Stop-smoking programs
- Surgery
- Telephone
- Television
- Therapy
- Transplants
- Transportation
- Trips
- Tuition
- Vasectomy
- Vision correction surgery
- Wheelchair
- Wig
- X-ray

Source: [www.irs.gov](http://www.irs.gov)

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

*\* 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 percent penalty.*

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