

## Which eligible medical expenses can be paid for with tax-deductible HSA funds?

Eligible medical expenses are defined as those expenses paid for care as described in Section 213(d) of the Internal Revenue Code. Below are lists of deductible and nondeductible medical expenses that may help determine whether an expense is eligible for HSA reimbursement.

ELIGIBLE MEDICAL EXPENSES		NON-ELIGIBLE MEDICAL EXPENSES	
Abdominal supports	Elastic hosiery ( <i>prescription</i> )	Over-the-counter drugs ( <i>except for the purchase of vitamins and supplements</i> )	Advance payment for services to be received next year
Abortion	Eyeglasses	Oxygen and oxygen equipment	Athletic club membership
Acupuncture	Fees paid to health institute prescribed by a doctor	Pediatrician	Automobile insurance premium allocable to medical coverage
Air conditioner ( <i>when necessary for relief from an allergy or for relief from difficulty in breathing</i> )	FICA and FUTA tax paid for medical care service	Physician	Boarding school fees
Alcoholism treatment	Fluoridation unit	Physiotherapist	Bottled water
Ambulance	Guide dog	Podiatrist	Commuting expenses of a disabled person
Anesthetist	Gum treatment	Postnatal treatments	Cosmetic surgery and procedures
Arch supports	Gynecologist	Practical nurse for medical services	Cosmetics, hygiene products and similar items
Artificial limbs	Healing services	Prenatal care	Diaper service
Autoette ( <i>when used for relief of sickness/disability</i> )	Hearing aids and batteries	Prescription medicines	Domestic help
Birth control pills ( <i>by prescription</i> )	Hospital bills	Psychiatrist	Funeral, cremation or burial expenses
Blood tests	Hydrotherapy	Psychoanalyst	Health programs offered by resort hotels, health clubs, and gyms
Blood transfusions	Insulin treatments	Psychologist	Illegal operations and treatments
Braces	Lab tests	Psychotherapy	Illegally procured drugs
Cardiographs	Laser eye surgery	Radium therapy	Maternity clothes
Chiropractor	Lead paint removal	Registered nurse	Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
Christian Science Practitioner	Legal fees	Special school costs for the handicapped	Sight or similar benefits
Contact lenses	Lodging ( <i>away from home for outpatient care</i> )	Spinal fluid test	Scientology counseling
Contraceptive devices	Metabolism tests	Splints	Social activities
Convalescent home ( <i>for medical treatment only</i> )	Neurologist	Sterilization	Special food or beverages
Crutches	Nursing ( <i>including board and meals</i> )	Surgeon	Specially designed car for the handicapped other than an autoette or special equipment
Dental treatment	Obstetrician	Telephone or TV equipment to assist the hard-of-hearing	Stop-smoking programs
Dental x-rays	Operating room costs	Therapy equipment	Supplements
Dentures	Ophthalmologist	Transportation expenses ( <i>relative to health care</i> )	Swimming pool
Dermatologist	Optician	Ultraviolet ray treatment	Travel for general health improvement
Diagnostic fees	Optometrist	Vaccines	Tuition and travel expenses for a child with special needs at a particular school
Diathermy	Oral surgery	Vasectomy	Vitamins
Drug addiction therapy	Organ transplant ( <i>including donor's expenses</i> )	Wheelchair	Weight loss programs
Drugs ( <i>prescription</i> )	Orthopedic shoes	X-rays	
	Orthopedist		
	Osteopath		

These lists are intended to serve as a quick reference and are provided with the understanding that MII Life is not engaged in rendering tax advice. For more detailed information, please refer to IRS Publication 502, "Medical and Dental Expenses," Catalog Number 15002Q. Publications can be ordered from the IRS by calling 1-800-TAX-FORM (1-800-829-3676). If tax advice is required, seek the services of a competent professional.

Health insurance may not be purchased with HSA funds. There are three exceptions. HSA funds can be used to pay for: 1) a health plan during any period of continuation coverage required under any federal law, 2) a qualified long-term care insurance contract, or 3) a health plan during a period in which the individual is receiving unemployment compensation under any federal or state law.