

Is that covered under your HSA qualified medical expenses?

Find out if it is – or if it’s not – using this helpful guide

Some expenses not covered by your health insurance plan may be covered by your health savings account (HSA) funds. The IRS calls these “qualified medical expenses.” These expenses generally help diagnose, treat or stop an injury, illness or physical defect. Let’s take a look at some examples of qualified medical expenses:

Qualified over-the-counter items

- Band aids
- Birth control
- Braces and supports
- Contact lens solution and supplies
- Elastic bandages and wraps
- First-aid supplies
- Reading glasses



Qualified medical expenses

- Abortion
- Acupuncture
- Alcoholism treatment
- Ambulance
- Anesthetist
- Artificial limbs
- Autoette when used for relief of sickness or disability
- Birth control pills, if prescribed
- Blood tests
- Blood transfusions
- Breast reconstruction surgery following a mastectomy for cancer
- Cardiographs
- Chiropractor
- Christian Science practitioner
- Contact lenses
- Contraceptive devices, if prescribed
- Crutches
- Dental treatment
- Dental X-rays
- Dentures
- Devices used to diagnose and treat an illness or disease
- Dermatologist
- Diagnostic fees
- Drug addiction therapy
- Drugs, if prescribed
- Eyeglasses
- Fees paid to a health institute prescribed by a doctor
- Guide dog
- Gum treatment
- Health-related transportation expenses
- Hearing aids
- Procedures to overcome an inability to have children
- Psychoanalysis
- Psychologist
- Psychotherapy
- Radium therapy
- Registered nurse
- Special school costs for the handicapped
- Spinal fluid test
- Splints
- Sterilization
- Surgeon
- Telephone or TV equipment to help the hard of hearing
- Therapy equipment
- Ultraviolet ray treatment
- Vaccines
- Vasectomy
- Vitamins, if prescribed
- Wheelchair
- X-rays

Think twice about using your HSA for nonqualified medical expenses

While some expenses are qualified, others may be what the IRS calls “nonqualified medical expenses.” If you use your HSA funds to pay for these types of expenses, you’ll have to pay income taxes on those funds and a 20% penalty. Here are some examples of nonqualified medical expenses:

Nonqualified over-the-counter medicine — unless you have a prescription

- Acid controllers
- Acne medicine
- Allergy and sinus medicine
- Antibiotics
- Anti-itch and insect bite medicine
- Cough, cold and flu medicine
- Eye drops
- Indigestion medicine
- Laxatives
- Motion sickness medicine
- Nasal sprays
- Ointments and creams
- Pain relief medicine
- Breathing treatments
- Sleep aids and sedatives
- Upset stomach medicine



Nonqualified medical expenses:

- Advance payment for next year’s services
- Athletic club membership
- Automobile insurance premium allocable to medical coverage
- Boarding school fees
- Bottled water
- Traveling expenses of a disabled person
- Cosmetic surgery and procedures
- Cosmetics, hygiene products and similar items
- Funeral, cremation or burial expenses
- Health programs offered by resort hotels, health clubs and gyms
- Illegal operations and treatments
- Illegally obtained drugs
- Maternity clothes
- Nonprescription medicine
- Premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
- Scientology counseling
- Social activities
- Special foods and beverages
- Specially designed car for the handicapped other than an Autoette or special equipment
- Swimming pool
- Travel for general health improvement
- Tuition and travel expenses to send a child with behavior problems to a particular school
- Weight-loss programs

Still not sure if it’s a qualified or nonqualified medical expense?

Check out the IRS publication titled *Medical and Dental Expenses*; number 502. You can order a copy of it by calling **1-800-TAX-FORM (1-800-829-3676)** or read it online at [irs.gov/pub502](https://www.irs.gov/pub502). If you need tax advice, please contact a tax professional.