

HSA, HRA and FSA Sample eligible expenses

Health Savings Account (HSA), Health Reimbursement Arrangement (HRA) and Flexible Spending Account (FSA)

The following are examples of IRS allowable and disallowed healthcare expenses for Health Savings Accounts (HSA), Health Reimbursement Arrangement (HRA) and Flexible Spending Accounts (FSA). **Note: This is a list of examples only. Some items could be allowed or disallowed depending on facts or circumstances and your employer's plan restrictions.**

Check with your employer for specifics that apply to your benefit plan. Your plan may have additional restrictions and entire categories of eligible items may not qualify for reimbursement. For further guidance, refer to Internal Revenue Service (IRS) publications 969, 502 and code section 213(d). These publications are available at your public library, at an IRS office or at www.irs.gov.

Prescription drugs:

Allowable expenses

- Prescription drugs or insulin

Disallowed

- Medicines and drugs from other countries
- Illegal drugs
- Cosmetic prescriptions

Medical equipment:

Allowable expenses

- Artificial limbs
- Blood pressure monitoring devices
- Breast pumps and breastfeeding supplies
- Carpel tunnel wrist supports
- CPAP (continuous positive airway pressure) devices
- Crutches (purchased or rented)
- Orthopedic shoes; only amounts above the cost of ordinary shoes
- Oxygen equipment and oxygen used to relieve breathing problems that result from a medical condition
- Special mattress and plywood boards prescribed to alleviate arthritis; only amounts above the cost of an ordinary mattress
- Support braces if used for injured or weakened body parts
- Wheelchair, walker or mobility scooter (cost of operating/ maintaining if used to relieve sickness or disability)

Disallowed

- Vacuum cleaner purchased due to a dust allergy

Treatments and therapies:

Allowable expenses

- Acupuncture to treat a medical condition
- Physical therapy
- Smoking cessation programs
- Speech therapy
- Treatment for alcoholism or drug dependency

Disallowed

- Any illegal treatments
- Physical treatments unrelated to specific health problem (e.g. massage for general well-being)

Physicals:

Allowable expenses

- Routine and preventive physicals
- School and work physicals

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Medical fees/services:

Allowable expenses

- Ambulance services
- Chiropractor services
- Cosmetic surgery or procedures that treat a deformity caused by an accident, trauma, disease, or an abnormality at birth
- Diagnostic services and laboratory fees (when part of medical care)
- Hospital services, surgical fees, X-rays, etc.
- Legal abortion
- Legal sterilization procedures
- Nursing services for care of a specific medical condition
- Obstetrical and gynecological services
- Organ transplants (includes surgical, hospital and laboratory services as well as transportation expenses for organ donors)
- Physicians, surgeons, specialists, or other medical practitioners services
- Transportation expenses for you or a dependent to receive medical care, including bus, taxi, train, plane fares, parking fees and tolls
- Vaccinations
- Vasectomy or vasectomy reversal

Disallowed

- Cosmetic surgery or procedures that improve the patient's appearance but do not meaningfully promote the proper function of the body or prevent or treat an illness or a disease
- Fees for exercise, athletic, or health club membership, when there's no specific health reason for membership
- Marriage counseling provided by a member of the clergy

- Payments to domestic help, companion, child care or chauffeur, etc. who primarily renders services of a non-medical nature

Hearing care:

Allowable expenses

- Hearing aids
- Batteries for hearing aids

Assistance for the handicapped:

Allowable expenses

- Braille books and magazines; only amounts above the cost of regular
- Guide dog or other service animal used by a visually impaired, hearing impaired or physically disabled person (cost of buying, training, and maintaining)
- Special phone or television device for the hearing impaired; only amounts over the cost of regular

Psychiatric care:

Allowable expenses

- Legal fees directly related to commitment of a mentally ill person
- Services of psychotherapists, psychiatrists, and psychologists

Disallowed

- Expenses of divorce when a doctor or psychiatrist recommends divorce
- Psychoanalysis undertaken to satisfy curriculum requirements of a student

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Miscellaneous:

Allowable expenses

- Body scans
- Breast reconstruction surgery (following a mastectomy for cancer)
- Chelation therapy when used to treat a medical condition
- Fertility treatments to overcome an inability to have children
- Flu shots and immunizations

Disallowed

- Cord blood storage
- Diapers, car seats or maternity clothes
- Electrolysis or hair removal
- Frozen embryo storage
- Funeral expenses
- Health coverage tax credit
- Pajamas purchased to wear in hospital
- Swimming lessons

Dental and orthodontic care:

(Some employers do not allow dental care reimbursement from a spending account)

Allowable expenses

- Artificial teeth/dentures
- Orthodontic services
- Routine dental care (cleaning, X-rays, fillings, extractions, fluoridation, etc.)

Disallowed

- Teeth whitening
- Tooth bonding that isn't medically necessary

Vision care:

(Some employers do not allow vision care reimbursement from a spending account)

Allowable expenses

- Contact lenses
- Eyeglasses
- LASIK and other surgical procedures
- Optometrist's or ophthalmologist's fees

Disallowed

- Lens replacement insurance
- Non-prescription sunglasses

Employers and employees should consult their own attorneys or tax professionals for advice on any tax implications.

Over-the-Counter (OTC) medications and supplies

Generally, spending account funds can be used for eligible over-the-counter items. **Some employers have restrictions on certain OTC items, and most employers do not permit employer-funded Health Reimbursement Arrangement (HRA) funds to be used for OTC items.** For further guidance, refer to Internal Revenue Service (IRS) publications 969, 502 and code section 213(d). These publications are available at your public library, at an IRS office or at www.irs.gov.

Effective 1/1/2020 over the counter (OTC) drugs and medications no longer require a prescription in order to be eligible for reimbursement from your Healthcare Spending Account (this does not include Vitamins or Supplements). Menstrual supplies are also now qualified for reimbursement. If your plan and provider's systems allow, the Humana Access card can be used to purchase OTC items. Be sure to save all receipts and letters of medical necessity for your records.

Antiseptics

- Antiseptic wash or ointment for cuts or scrapes
- Benzocaine swabs
- Boric acid powder
- First aid wipes
- Hydrogen peroxide
- Iodine tincture
- Rubbing alcohol
- Sublimed sulfur powder

Asthma medications

- Bronchodilator/expectorant tablets
- Bronchial asthma inhalers

Cold, flu and allergy medications

- Allergy medications
- Cold relief syrup
- Cold relief tablets
- Cough drops
- Cough syrup
- Flu relief tablets or liquid
- Medicated chest rub
- Nasal decongestant inhaler
- Nasal decongestant spray or drops
- Nasal strips to improve congestion
- Saline nose drops
- Sinus and allergy homeopathic nasal spray
- Sinus medications
- Vapor patch cough suppressant

Diabetes

- Diabetic lancets
- Diabetic supplies
- Glucose meters

Ear/eye care

- Contact lens solutions
- Medicated ear drops, syringes, and ear wax removal
- Medicated eye drops
- Un-medicated ear drops and ear wax removal
- Un-medicated eye drops

Health aids

- Adhesive or elastic bandages
- Anti-fungal treatments
- Denture adhesives
- Diuretics and water pills
- Hemorrhoid relief
- Incontinence supplies
- Leg or arm braces
- Menstrual care products
- Motion sickness tablets
- Respiratory stimulant ammonia
- Sleeping aids

Pain relief

- Arthritis pain reliever
- Cold sore remedy
- Orajel®
- Pain relievers, aspirin and non-aspirin

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Personal test kits

- Blood sugar test kits and test strips
- Cholesterol tests
- Colorectal cancer screening tests
- Diabetic test strips
- Ovulation indicators
- Pregnancy tests

Skin Care

- Acne medications
- Bunion and blister pads
- Cold sore and fever blister medications
- Corn and callus removal medications
- Diaper rash ointment
- Eczema cream
- Sunscreen (over 15 SPF)
- Wart removal medications

Stomach care

- Acid reducers
- Antacid gum, antacid liquid, antacid tablets
- Anti-diarrhea medications
- Gas prevention food enzyme dietary supplement
- Gas relief drops for infants and children
- Laxatives
- Pinworm treatment
- Prilosec®
- Upset stomach medications

Personal Protective Equipment (PPE):

Allowable Expenses

- Masks
- Latex gloves
- Hand Sanitizer
- Sanitizing wipes
- Non-contact thermometers

Dual use – require a letter of medical necessity:

- Allergy pillows, mattress covers, air purifiers and filters, etc.
- Anti-itch lotion
- Medicated bath products
- Some vitamins or nutritional supplements
- Special teeth cleaning systems (e.g., Waterpik)

Not eligible:

- Aromatherapy
- Baby bottles and cups
- Baby oil, lotion or wipes
- Breast enhancement system
- Cosmetics
- Dental floss
- Deodorants
- Facial cleansers
- Hair regrowth products
- Low-carbohydrate or low-calorie foods
- Shampoo and conditioner
- Spa salts
- Tooth brushes

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