



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

IRS regulations require that you keep all receipts and any documentation for eligible medical expenses with your personal tax records. The following is a partial list of eligible/potentially eligible/ineligible medical expenses. If you have any questions about an item's eligibility, please contact Further customer service at 1-800-859-2144.

Eligible medical expenses

Acne treatment	Diaper rash treatment	Orthodontics
Acupuncture	Drug addiction/substance abuse treatment	Orthopedic inserts
Alcoholism treatment	Embryo, egg and sperm storage fees	Orthotics (custom and non-custom)
Allergy medicine	Expectorants	Oxygen and oxygen equipment
Allergy shots	Eye exams	Pain relievers
Ambulance	Eye surgery (laser or radial keratotomy)	Patient responsibilities under the medical, dental or vision plan solely because of the plan's deductible, copay (coinsurance), reasonable and customary charge limit or benefit limit
Analgesics	Eyeglasses – prescription sunglasses/safety glasses	Physical exams (routine, medical, well-child)
Anti-arthritis	Eyeglasses – reading	Physical therapy
Anti-diarrhea medicine	Feminine Anti-fungal / Anti-itch	Prenatal/postnatal exams
Anti-gas	Feminine hygiene products (e.g., tampons)	Prescription drugs that are not cosmetic (prescription drugs imported from other countries are not covered)
Anti-inflammatory	Fertility treatments (e.g., artificial insemination, egg donor fees, in vitro)	Preventive care screenings (e.g., mammogram, colonoscopy)
Antibiotics	Fiber laxatives	Prosthesis
Antihistamines	First aid kits	Psoriasis treatment
Arch supports	Flu shots	Psychiatric care
Artificial limbs	Fluoride treatment at a dental office	Respiratory Treatments
Aspirin	Gambling addiction treatment	Rubbing alcohol
Asthma treatments/nebulizer	Group therapy (for patient)	Shipping and handling fees for eligible expenses
Band-Aids/gauze	Head lice treatment	Sinus medication
Bariatric surgery	Hearing tests and aids	Skin irritation treatment
Blood pressure monitoring devices	Hemorrhoid treatments	Sleep aids and Sedatives
Body scans (e.g., MRI, CAT Scan)	Home health care	Sleep study
Brace (e.g., knee, back, wrist)	Immunizations	Smoking cessation medications/programs
Breast pumps and supplies for the pump only	Individual counseling (counseling must be performed to alleviate or prevent a physical or mental defect or illness)	Speech therapy
Burn treatments	Insect bite/sting medicine	Stomach Remedies
C-PAP machine and supplies	Lab tests	Sublingual antigen (allergy drops)
Calamine lotion	Laxatives	Sunburn treatments
Childbirth/Lamaze classes (related to birth)	Long Term Care Premiums	Taxes paid for eligible expenses
Chiropractic treatments (e.g., adjustments)	Mastectomy-related special bras	Throat lozenges
Circumcision	Medical records charges	Transportation expenses relative to health care (corresponding medical documentation requested)
Coinsurance amounts (health, dental or vision)	Medicated lip balm/cream	Tubal ligation/tubal ligation reversal
Cold Sore Remedies	Menstrual pain relievers	Vaccinations
Cold and flu medicine	Mental health treatment facility	Varicose veins, treatment of
Contact lenses (corrective)	Motion sickness medicine	Vasectomy/vasectomy reversal
Convalescent home (for medical treatment only)	Muscle/joint pain relievers	Walkers/canes (purchase or rental)
Copayments (health, dental or vision)	Nutritional consultation	Wart remover products
Corn and callus removers (medicated)	Nasal sinus sprays	Wheelchair (purchase or rental)
Cough drops	Nicotine patches, gum, lozenges	X-rays
Crutches (purchase or rental) Deductibles (health, dental or vision)	Occlusal guards to prevent teeth grinding	Yeast infection medication
Decongestants	Orajel pain relief	
Dental procedures, non-cosmetic (e.g., X-rays, fillings, extractions, crowns, implants)	Oral surgery	
Dentures	Oral wound treatments (cold sores)	
Diabetic supplies (e.g., insulin, syringe, monitor, insulin pump)	Organ transplant (including donor's expenses)	
Diapers for incontinence		

Potentially eligible medical expenses (The IRS requires a Letter of Medical Necessity from your health care provider to keep with your personal tax records)

Air conditioner (capital expense)	Guide dog/service animal (purchase, care for, training)	Nutritional Counseling
Air purifier (potential capital expense)	Herbal treatments	Orthopedic shoes
Athletic club membership	Holistic or natural healers consult	Personal trainer fees
Automobile modifications (capital expense)	Home improvements (e.g., exit ramps, widening doorways) (capital expense)	Prescription drugs that also have a cosmetic purpose (e.g., Retin-A, Rogaine, Botox, Propecia, Phentermine)
Behavioral modification programs	Hormone replacement therapy (HRT)	Special education costs for dependents with disabilities
Breast reconstructive surgery	Household products/improvements to treat allergies	Stem cell, harvesting, and/or storage of the umbilical cord, freezing and storing of
Breast reduction surgery that is medically necessary	Lactation consultant	Telephone/television equipment for hearing-impaired persons
Cosmetic surgery (for repair or reconstruction after accident or surgery or correction of birth defect)	Lead-based paint removal	Weight loss program (if prescribed by a physician for a specific medical condition excludes food)
DNA collection and storage	Learning disability treatment	Wigs
Dyslexia testing and instruction	Lodging (away from home for outpatient care – special rules may apply)	
Elevator (capital expense)	Manual therapy	
Exercise equipment or programs	Massage therapy	
Fluoridation device	Medical conference admission and transportation (excludes meals and lodging)	
Food thickeners	Mentally handicapped residential or group home	
Genetic testing		
Group therapy for a family member		

Ineligible medical expenses

Birthing tubs	Illegal operations and treatments	Prepayments
Bottled water	Illegally obtained drugs	Prescription drug discount program fees
Braille books/magazines	Late fees (e.g., for late payment of bills for medical services)	Prescription drugs and medicines imported from other countries
Cleaning service	Lodging while attending a medical conference	Special foods/beverage (e.g. protein bars/shakes)
Cosmetic surgery and procedures	Marijuana or other controlled substances in violation of federal law	Sports training and activities
Cosmetics, hygiene products, and similar items	Marriage counseling	Surrogate expenses
Dancing lessons	Maternity clothes	Swimming lessons
Diapers or diaper service	Meals	Swimming pool and maintenance
Diet foods	Medical newsletter	Tanning salons and equipment
Ear or body piercing	Missed appointment fees	Teeth whitening
Electrolysis or hair removal	Mouthwash	Transportation costs of a disabled individual commuting to and from work
Funeral, cremation or burial expenses	New parent/newborn child care classes	Travel for general health improvement
Hair colorants	Non-prescription eyeglasses, sunglasses, safety glasses or contacts	Veneers
Hair transplants		
Household help		

Eligible medical expense

Medical expenses that can be reimbursed through your HSA include services and supplies incurred by you or your eligible dependents for the diagnosis, treatment, or prevention of disease or for the amounts you pay for transportation to get medical care.

In general, deductions allowed for medical expenses on your federal income tax according to Internal Revenue Code Section 213(d), may be reimbursed through your HSA. You cannot deduct medical expenses on your federal income tax that has been reimbursed through your HSA. It is possible that changes in the IRS rules can affect the eligible, potentially eligible, and/or ineligible expense categories.

Certain health insurance premiums are eligible to be paid out of your HSA. Qualified premiums include COBRA health insurance, insurance premiums after you reach age 65 (including Medicare Parts A, B, C and D but not Medicare supplement plans), qualified long-term care insurance, health insurance premiums while receiving unemployment compensation under state or federal law and premiums for employer-sponsored retiree medical plans for account holders 65 and older.

Capital expense

A capital expense is an improvement and/or special equipment added to a home or other capital expenditure that may be eligible if the primary purpose is medical care. You must have an appraisal of your home within one year prior to the installation and an appraisal after the installation to determine the value added to the home. The amount eligible is the difference between the cost of the expense and the increase in the additional value of your home. If the improvement/special equipment is used by individuals other than the person needing it for medical care, the eligible amount should be divided by the number of people using the item. Example: A ramp is purchased for \$3,000, and prior to installation your house is appraised at \$100,000. After installation, of the ramp, your house is appraised for \$101,000. The amount that is eligible under your HSA is \$2,000. A Letter of Medical Necessity is required from your health care provider to be kept with your personal tax records.

For assistance in calculating capital expense, the Capital Expense Worksheet is available at hellofurther.com. If you have questions about a capital expense, please contact customer service for a more detailed explanation.

These lists are intended to serve as a quick reference and are provided with the understanding that Further 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. This content is for informational purposes only, you should not construe this information as legal, tax, investment, or financial. Please consult your legal or tax advisor to review the specifics of your situation.