

# What is a Qualified HSA Expense? What is Not?

## Qualified Expenses

IRS Announcement 2021-7 added these items:

- Masks
- Hand sanitizer
- Sanitizing wipes

The Coronavirus Aid, Relief, and Economic Security (CARES) Act added these over-the-counter items:

- Acne treatments
- Allergy medication
- Aspirin
- Band-Aids
- Breathing strips
- Cold and cough medicine
- COVID-19 tests
- Eye drops
- Heartburn medications
- Ibuprofen
- Liners
- Menstrual cups
- Nasal sprays
- Pads
- Period panties
- Sleep aids
- Tampons
- Thermometers

Common qualified expenses include:

- Copays for prescriptions & office visits
- Crutches
- Dental care (see below)
- Flu shots
- Hearing aids
- Prescription medications
- Vision care (see below)
- Wheelchair
- X-rays

Qualified healthcare expenses for families with young dependents include:

- Annual exams
- Baby ointment
- Breast milk storage bags and bottles
- Breast pump
- Childbirth
- Diaper-rash cream
- Immunizations
- Nursing pads
- Pedialyte

Qualified family-planning expenses:

- Birth control pills
- Condoms
- Contraceptives
- Fertility tests
- Infertility treatments
- Ovulation monitors
- Pregnancy tests
- Prenatal vitamins
- Tubal ligation
- Ultrasounds
- Vasectomies
- Vasectomy reversal

Qualified emergency medical expenses:

- Ambulance services
- CT scans
- Emergency room visits
- EMS devices
- Hospital visits
- Medical records fees
- MRIs
- Urgent care services

Insurance premiums are only qualified if they fall into one of these four categories:

- Long-term care insurance
- Healthcare continuation coverage (coverage under COBRA)
- Healthcare coverage while receiving federal or state unemployment
- Medicare and other health coverage if you are 65 and older (not including Medigap insurance premiums)

Qualified dental and vision care expenses include but are not limited to:

- Braces
- Contacts
- Dental cleanings
- Dentures
- Eyeglasses
- Eye exams
- Eye surgery
- Orthodontist visits

**Note:** Teeth whitening is not covered, since it is considered a cosmetic dental procedure and not health related.

## Non-Qualified Expenses

In addition to the Medicare Medigap premiums and cosmetic dental procedures mentioned above, other preventative care that is not doctor prescribed is not usually HSA eligible. Some examples of common healthcare expenses that fall into this category are:

- Vitamins, nutritional, and herbal supplements for general health

- Personal hygiene items such as toothpaste and deodorant
- Weight-loss programs for general health or well-being

But there can be exceptions. The following are examples of four expenses that may qualify for an exception. These items may qualify if they are used to treat a medical condition and the taxpayer has a Letter of Medical Necessity (LOMN) from a medical doctor.

- Fluoride toothpastes and rinses
- Health clubs
- Vitamins
- Weight-loss programs