

SAMPLE ELIGIBLE EXPENSES FOR HSAS & FSAS

WE MAKE
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SIMPLE

Funds in Health Savings Accounts (HSAs) and Healthcare Flexible Spending Accounts (FSAs) can be used for hundreds of qualified expenses allowed by the IRS. The following is just a sample of what is and is not allowed. The plan you have must allow for qualified medical expenses to be paid under the requirements of IRS Section 213(d). Some plans do not allow for all of these expenses to be covered. Please check with your plan administrator or Sterling to verify the details of your plan before incurring these types of expenses for reimbursement.

Medical expenses are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body. They include the costs of equipment, supplies, and diagnostic devices needed for these purposes. They also include dental expenses. Medical care expenses must be primarily to alleviate or prevent a physical or mental defect or illness. They do not include expenses that are merely beneficial to general health, such as vitamins or a vacation.

Under healthcare reform, HSA and FSA funds can no longer be used to purchase over-the-counter medications (such as aspirin, allergy and cold medications, etc.) without a written doctor's prescription. The pharmacist must fill prescriptions for these medications to be paid for with funds from your account. There are still many over-the-counter medical products that can be purchased without a doctor's prescription (such as contact lens solutions and diabetic test kits and supplies), so be sure to check before you purchase.

The list below is just a sample of eligible and ineligible expenses. For a complete list, see IRS Publication 502 Section 213(d) (<http://www.irs.gov/publications/p502/>).

SAMPLE ELIGIBLE EXPENSES

Abdominal supports	Braces
Abortion	Cardiographs
Acupuncture	Chiropractor
Air conditioner	Childbirth / delivery
Alcoholism treatment	Christian Science Practitioner
Ambulance	Dermatologist
Anesthetist	Diagnostic fees
Arch supports	Drug addiction therapy
Artificial limbs	Drugs (prescription)
Autoette	Elastic hosiery (prescription)
Birth control pills	Eye glasses
Blood tests	Fluoridation unit
Blood transfusions	Guide dog

Gum treatment	Hearing aids and batteries
Gynecologist	Hospital bills
Hydrotherapy	Podiatrist
Insulin treatment	Prenatal care
Lab tests	Prescription medicines
Lead paint removal	Psychiatrist
Legal fees	Psychotherapy
Oral surgery	Registered nurse
Organ transplant	Splints
Orthotic shoes	Vaccines
Oxygen and oxygen equipment	Vitamins (if prescribed)
Pediatrician	Wheel chair

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See IRS publication 502 Section 213 (d) for a full list of eligible expenses

SAMPLE INELIGIBLE EXPENSES

Advanced payment for future services	Illegal drugs
Athletic club membership	Maternity clothes
Automobile insurance premium	Non prescription medication
Boarding school fees	Social activities
Bottled water	Special foods and beverages
Commuting expenses for disabled	Travel for general health improvement
Cosmetic surgery	Weight loss programs
Funeral, cremation or burial expenses	Many over-the-counter drugs, unless prescribed by a physician and filled by a pharmacist. There are exceptions under healthcare reform, so check before you incur the expense.
Health programs	
Illegal operations and treatments	

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