Health Savings Accounts

Examples of Eligible Expenses

Your Favorite Healthcare Staffing Health Savings Account may reimburse:

♦ Qualified medical expenses incurred by the account beneficiary and his or her spouse and dependents;
♦ COBRA premiums;
♦ Health insurance premiums while receiving unemployment benefits;
♦ Qualified long-term care premiums*; and
♦ Any health insurance premiums paid, other than for a Medicare supplemental policy, by individuals age 65 or older

Distributions made from an HSA to reimburse the account beneficiary for eligible expenses are excluded from gross income.

Qualified Medical Expenses

Qualified medical expenses. The Internal Revenue Service defines qualified medical care expenses within IRS Section 213(d). Medical care expenses are further defined as amounts paid for the diagnosis, cure, or treatment of a disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate a physical or mental defect or illness.

The products and services listed below are examples of medical expenses eligible for payment under your [C_OfficialName] Health Savings Account, when such services are not covered by your High Deductible Health Plan. This list is not all-inclusive; additional expenses may qualify, and the items listed below are subject to change in accordance with IRS regulations. Please refer to IRS Publication 502 Medical and Dental Expenses for a complete description of eligible medical and dental expenses.

- Abortion
- Acne treatment
- Acupuncture
- Administrative costs
- Adoption - pre-adoption medical expenses
- Alcoholism treatment
- Allergy medications
- Ambulance
- Antacid
- Antihistamine
- Artificial limbs & teeth
- Aspirin
- Automobile modifications – if for physically handicapped person
- Bandages
- Birth control pills
- Blood pressure monitoring devices
- Blood sugar test kit & test strips
- Body scan
- Braille books/magazines
- Breast reconstruction surgery following mastectomy
- Car modifications – if for physically handicapped person
- Carpal tunnel wrist supports
- Contraceptives
- Condoms
- Chondroitin
- Circumcision
- COBRA premiums
- Co-insurance amounts and deductibles
- Contact lenses – also materials & equipment
- Cough suppressants
- Decongestants
- Dental treatment
- Dentures and denture adhesives
- Diabetic supplies
- Diagnostic items/services
- Disabled dependent care expenses
- Drug addiction treatment
- Drug overdose, treatment of
- Prescription drugs
- Over-the-counter drugs
- Ear plugs – for medical purposes
- Egg donor fees
- Fluoridation device or services
- Glucose monitoring equipment
- Guide dog/other animal aid
- Health institute fees – only if prescribed by a physician
- Hearing aids
- Hemorrhoid treatments
- Hormone replacement therapy (HRT)
- Hospital services
- Hot/cold packs
- Inclinator
For purposes of reimbursement of qualified long-term care premiums from an HSA, reimbursement in excess of the amount which may be deducted on an individual’s personal tax return is not an eligible expense. IRS 213(d)(10) establishes the tax deduction allowed for qualified long-term care premiums on individual tax returns. If the HSA reimburses long-term care premiums for an amount greater than set forth in IRC 213(d)(10), the amount greater than allowed is included in the account holder’s taxable income and is subject to a 10% penalty.

Plans that do not allow reimbursement of all eligible medical expenses as defined by the IRS and Department of Treasury must customize this brochure prior to use.