

ELIGIBLE HSA EXPENSES

An eligible medical expense is defined as those expenses paid for care as described in Section 213 (d) of the Internal Revenue Code. Below are two lists – deductible and nondeductible medical expenses – which may help determine whether an expense is eligible for HSA reimbursement. The lists are intended to serve as a quick reference and are provided with the understanding that Union State Bank is not engaged in rendering tax advice. For more detailed information, please refer to IRS Publication 502 titled, “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.

- abdominal supports
- abortion
- acupuncture
- air conditioner (when necessary for relief from an allergy or for relief from difficulty in breathing)
- alcoholism treatment
- ambulance
- anesthetist
- arch supports
- artificial limbs
- autoeette (when used for relief of sickness/disability)
- birth control pills (by prescription)
- blood tests
- blood transfusions
- braces
- cardiographs
- chiropractor
- Christian Science Practitioner
- contact lenses
- contraceptive devices (by prescription)
- convalescent home (for medical treatment only)
- crutches
- dental treatment
- dental x-rays
- dentures
- dermatologist
- diagnostic fees
- diathermy
- drug addiction therapy
- elastic hosiery (prescription)
- eyeglasses
- fees paid to health institute prescribed by a doctor
- FICA and FUTA tax paid for medical care service
- fluoridation unit
- guide dog
- gum treatment
- gynecologist
- healing services
- hearing aids and batteries
- hospital bills
- hydrotherapy
- insulin treatments
- lab tests
- lead paint removal
- legal fees
- lodging (away from home for outpatient care)
- metabolism tests
- neurologist
- nursing (including board and meals)
- obstetrician
- operating room costs
- ophthalmologist
- optician
- optometrist
- oral surgery
- organ transplant (including donor's expenses)
- orthopedic shoes
- orthopedist
- osteopath
- oxygen and oxygen equipment
- pediatrician
- physician
- physiotherapist
- podiatrist
- postnatal treatments
- practical nurse for medical services
- prenatal care

Eligible Expenses – Cont.

- prescription medicines
- psychiatrist
- psychoanalyst
- psychologist
- psychotherapy
- radium therapy
- registered nurse
- special school costs for the handicapped
- spinal fluid test
- splints
- sterilization
- surgeon
- telephone or TV equipment to assist the hard-of-hearing
- therapy equipment
- transportation expenses (relative to health care)
- ultra-violet ray treatment
- vaccines
- vasectomy
- vitamins (if prescribed)
- wheelchair
- x-rays

Checklist of Nondeductible Medical Expenses

- advance payment for services to be rendered next year
- athletic club membership
- automobile insurance premium allocable to medical coverage
- boarding school fees
- bottled water
- commuting expenses of a disabled person
- cosmetic surgery and procedures
- cosmetics, hygiene products and similar items
- diaper service
- domestic help
- funeral, cremation or burial expenses
- health programs offered by resort hotels, health clubs, and gyms
- illegal operations and treatments
- illegally procured drugs
- maternity clothes
- nonprescription medication
- premiums for life insurance, income protection, disability, loss of limbs, sight or similar benefits
- Scientology counseling
- social activities
- special foods or beverages
- specially designed car for the handicapped other than an autoette or special equipment
- stop-smoking programs
- swimming pool
- travel for general health improvement
- tuition and travel expenses a problem child to a particular school
- weight loss programs

Health insurance may not be purchased with HSA Funds. There are three exceptions, HSA funds can be used to pay for:

- 1) A health plan during any period of continuation coverage required under any federal law
- 2) A qualified long-term care insurance contract
- 3) A health plan during a period in which the individual is receiving unemployment compensation under any federal or state law.