

What is Covered by an HSA?

The IRS outlines which medical expenses can be paid for tax-free with an HSA in IRS Publications 502 and 969. Here are a few examples of qualified medical expenses HSA account holders can use tax-free funds for.

Examples of qualified medical expenses:

- Acupuncture
- Alcoholism treatment
- Ambulance services
- Artificial limb or prosthesis
- Artificial teeth
- Birth control pills
- Braille books/magazines (portion of costs)
- Car adaptations (for persons with disabilities)
- Chiropractors
- Contact lenses (including saline solution and cleaner)
- Crutches
- Dental treatment (x-rays, fillings, extractions, dentures, braces, etc.)
- Diagnostic devices (such as a blood sugar test kit)
- Doctor's fees
- Drug addiction treatment
- Eyeglasses (including eye examinations)
- Eye surgery (including laser eye surgery)
- Fertility enhancement (including in-vitro fertilization)
- Guide dog (for visually-impaired or hearing-impaired)
- Hearing aids and hearing aid batteries
- Hospital services (including meals and lodging)
- Insulin
- Laboratory fees
- Lactation assistance supplies
- Prescription medicines or drugs
- Nursing home and nursing services
- Operations or surgery
- Psychiatric care
- Psychologist
- Telephone equipment for hearing-impaired
- Telephone equipment for visually-impaired
- Therapy or counseling
- Transplants
- Transportation for medical care
- Vasectomy
- Wheelchair
- X-rays

Your HSA cannot be used for over-the-counter drugs, unless they are prescribed by your doctor.

Insurance premiums

Insurance premiums are generally not considered qualified medical expenses. However, the following types of insurance premiums generally qualify:

- Continuation coverage under federal law (i.e., COBRA)
- Qualified long-term care insurance premiums
- Any health plan maintained while an individual is receiving unemployment compensation under federal or state law
- For account holders age 65 and over (i.e., those eligible for Medicare), premiums for any health insurance (including Medicare Parts B & D premiums). Medigap premiums are not included.