



HSA GUIDE

The qualified expenses that can be reimbursed by an HSA on a tax-free basis are limited to expenses for medical care (as defined in the federal tax code) for the HSA owner and his or her spouse and dependents, to the extent those expenses are not reimbursed by the high deductible health plan or any other source.

The federal tax code defines medical care expenses as amounts paid for the diagnosis, cure, mitigation 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 that may be eligible for payment under your HSA on a tax-free basis. This list is not exhaustive; additional expenses may qualify as medical expenses, and the items listed below are subject to change.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Annual physical examination
- Artificial limb
- Artificial teeth
- Bandages
- Birth control pills
- Body scan
- Breast pumps and supplies
- Breast reconstruction surgery following mastectomy
- Capital expenses (improvements or special equipment installed to a home, if meant to accommodate a disabled condition)
- Car modifications or special equipment installed for a person with a disability
- Chiropractor
- Contact lenses
- Crutches
- Dental treatment (not including teeth whitening)
- Diagnostic devices
- Disabled dependent care expenses (medical care of the disabled dependent)
- Drug addiction treatment
- Eye exam
- Eye glasses



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- Eye surgery
- Fertility enhancement (for example, in vitro fertilization or surgery)
- Guide dog or other service animal
- Hearing aides
- Hospital services
- Laboratory fees
- Lactation expenses
- Lodging at a hospital or similar institution
- Long-term care insurance premiums*
- Medical conference expenses, if the conference concerns a chronic illness of yourself, your spouse or your dependent
- Medical information plan
- Medications, if prescribed
- Nursing services
- Operations
- Optometrist
- Osteopath
- Oxygen
- Physical examination
- Pregnancy test kit
- Premiums for COBRA continuation coverage
- Prosthesis
- Psychiatric care
- Psychoanalysis
- Psychologist
- Sterilization
- Stop-smoking programs
- Surgery
- Special telephone for hearing-impaired individuals



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- Television for hearing-impaired individuals
- Therapy received as medical treatment
- Transplants
- Transportation for medical care
- Vasectomy
- Vision correction surgery
- Weight-loss program if it is a treatment for a specific disease
- Wheelchair
- X-rays

*For purposes of reimbursement of qualified long-term care premiums from an HSA, reimbursement in excess of the amount that may be deducted on an individual's personal tax return is not an eligible expense. Section 213(d)(10) of the federal tax code 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 what is set forth in Section 213(d)(10), the amount greater than what is allowed is included in the account holder's taxable income and is subject to a 20 percent penalty.

Additionally, the CARES Act passed in March of 2020 removed the prescription requirement on many over-the-counter medications and related items. A brief list of over-the-counter items that became eligible for HSA in 2020 (with no prescription requirement) are seen below. Please contact OneDigital with questions on HSA eligible items.

- Acid controllers
- Acne medications
- Allergy and sinus medicine
- Baby rash ointments and creams
- Baby electrolytes
- Cold, cough, and flu medicine
- Digestive aids and laxatives
- Pain relievers and anti-inflammatory medications
- Skin treatments for conditions such as eczema and psoriasis
- Sleep aids
- Tampons, pads, and liners