



## Know Your Health Care FSA Eligible and Ineligible Expenses

**Maximize the Value of Your Reimbursement Account** - Your Health Care Flexible Spending Account (FSA) dollars can be used for a variety of out-of-pocket health care expenses that qualify as federal income tax deductions under Section 213(d) of the Internal Revenue Code ("IRC"). [More info.](#)

- Health Care FSA dollars can be used to reimburse you for medical and dental expenses incurred by you, your spouse or eligible dependents (children, siblings, parents and other dependents which are defined in your Plan Documents). **NOTE** the updates on the last page of this document regarding the CARES ACT.

**IMPORTANT:** The IRS defines which medical expenses are eligible under a tax-deferred account. Not all expenses are eligible under all plans. An employer may limit which expenses are allowable under their Health Care FSA plan. If you are unsure of what your Health Care FSA dollars may be used for, please contact your Plan Administrator.

Here is a sample list of expenses currently eligible and not eligible by the Internal Revenue Service ("IRS") as deductible medical expenses. This list is not necessarily inclusive or exclusive, and may be subject to change based on regulations, IRS revenue rulings and case law. It is solely based on our current interpretation of IRC Section 213(d) and is not intended to be legal advice.

For a complete up-to-date list of FSA eligible Products & Services please reference [IRS site.](#)

Sample List of Eligible Expenses		
<p><b>BABY/CHILD TO AGE 13</b></p> <ul style="list-style-type: none"> <li>Lactation Consultant*</li> <li>Lead-Based Paint Removal</li> <li>Special Formula*</li> <li>Tuition: Special School/Teacher for Disability or Learning Disability*</li> <li>Well Baby /Well Child Care</li> </ul> <p><b>DENTAL</b></p> <ul style="list-style-type: none"> <li>Dental X-Rays</li> <li>Dentures and Bridges</li> <li>Exams and Teeth Cleaning</li> <li>Extractions and Fillings</li> <li>Oral Surgery</li> <li>Orthodontia</li> <li>Periodontal Services</li> </ul> <p><b>EYES</b></p> <ul style="list-style-type: none"> <li>Eye Exams</li> <li>Eyeglasses and Contact Lenses</li> <li>Laser Eye Surgeries</li> <li>Prescription Sunglasses</li> <li>Radial Keratotomy</li> </ul>	<p><b>MEDICAL EQUIPMENT/SUPPLIES</b></p> <ul style="list-style-type: none"> <li>Air Purification Equipment*</li> <li>Arches and Orthotic Inserts</li> <li>Contraceptive Devices</li> <li>Crutches, Walkers, Wheel Chairs</li> <li>Exercise Equipment*</li> <li>Hospital Beds*</li> <li>Mattresses*</li> <li>Medic Alert Bracelet or Necklace</li> <li>Nebulizers</li> <li>Orthopedic Shoes*</li> <li>Oxygen*</li> <li>Post-Mastectomy Clothing</li> <li>Prosthetics</li> <li>Syringes</li> <li>Wigs*</li> </ul>	<p><b>MEDICATIONS</b></p> <ul style="list-style-type: none"> <li>Insulin</li> <li>Prescription Drugs</li> </ul> <p><b>OBSTETRICS</b></p> <ul style="list-style-type: none"> <li>Breast Pumps and Lactation Supplies</li> <li>Doulas*</li> <li>Lamaze Class</li> <li>OB/GYN Exams</li> <li>OB/GYN Prepaid Maternity Fees (reimbursable after date of birth)</li> <li>Pre- and Postnatal Treatments</li> </ul> <p><b>PRACTITIONERS</b></p> <ul style="list-style-type: none"> <li>Allergist</li> <li>Chiropractor</li> <li>Christian Science Practitioner</li> <li>Dermatologist</li> <li>Homeopath</li> <li>Naturopath*</li> <li>Optometrist</li> <li>Osteopath</li> <li>Physician</li> <li>Psychiatrist or Psychologist</li> </ul>

## Sample List of Eligible Expenses

### HEARING

- Hearing Aids and Batteries
- Hearing Exams

### LAB EXAMS/TESTS

- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

### MEDICAL PROCEDURES/SERVICES

- Acupuncture
- Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care)
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment\*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination (not employment-related)
- Reconstructive Surgery (due to a congenital defect, accident, or medical treatment)
- Service Animals
- Sterilization/Sterilization Reversal
- Transplants (including organ donor)
- Transportation\*

### THERAPY

- Alcohol and Drug Addiction
- Counseling (not marital or career)
- Exercise Programs\*
- Hypnosis
- Massage\*
- Occupational
- Physical
- Smoking Cessation Programs\*
- Speech
- Weight Loss Programs\*

**Note:** This list is not meant to be all-inclusive, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (\*) are “potentially eligible expenses” that require a Note of Medical Necessity from your health care provider to qualify for reimbursement. For additional information, check your Summary Plan Document or contact your Plan Administrator.

## Sample List of Eligible Over-the-Counter Items (Product categories are listed in bold face; common examples are listed in regular face.)

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|---|---|---|
| <ul style="list-style-type: none"> <li>■ <b>Baby Electrolytes and Dehydration</b><br/>Pedialyte, Enfalyte</li> <li>■ <b>Contraceptives</b><br/>Unmedicated condoms</li> <li>■ <b>Denture Adhesives, Repair, and Cleansers</b><br/>PoliGrip, Benzodent, Plate Weld, Efferdent</li> <li>■ <b>Diabetes Testing and Aids</b><br/>Ascencia, One Touch, Diabetic Tussin, insulin syringes; glucose products</li> <li>■ <b>Diagnostic Products</b><br/>Thermometers, blood pressure monitors, cholesterol testing</li> <li>■ <b>Ear Care</b><br/>Unmedicated ear drops, syringes, ear wax removal</li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Elastics/Athletic Treatments</b><br/>ACE, Futuro, elastic bandages, braces, hot/cold therapy, orthopedic supports, rib belts</li> <li>■ <b>Eye Care</b><br/>Contact lens care</li> <li>■ <b>Family Planning</b><br/>Pregnancy and ovulation kits</li> <li>■ <b>First Aid Dressings and Supplies</b><br/>Band Aid, 3M Nexcare, non-sport tapes</li> <li>■ <b>Foot Care Treatment</b><br/>Unmedicated corn and callus treatments (e.g., callus cushions), devices, therapeutic insoles</li> <li>■ <b>Glucosamine &amp;/or Chondroitin</b><br/>Osteo-Bi-Flex, Cosamin D, Flex-a-min Nutritional Supplements</li> <li>■ <b>Hearing Aid/Medical Batteries</b></li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Home Health Care (limited segments)</b><br/>Ostomy, walking aids, decubitis/pressure relief, enteral/parenteral feeding supplies, patient lifting aids, orthopedic braces/supports, splints &amp; casts, hydrocollators, nebulizers, electrotherapy products, catheters, unmedicated wound care, wheel chairs</li> <li>■ <b>Incontinence Products</b><br/>Attends, Depend, GoodNites for juvenile incontinence, Prevail</li> <li>■ <b>Nasal Care</b><br/>Saline Nasal Spray</li> <li>■ <b>Prenatal Vitamins</b><br/>Stuart Prenatal, Nature's Bounty Prenatal Vitamins</li> <li>■ <b>Reading Glasses and Maintenance Accessories</b></li> </ul> |
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- Currently, the IRS does NOT allow the following expenses to be reimbursed under Health Care FSAs, as they are not prescribed by a physician for a specific ailment. (This is not meant to be an all-inclusive list.)

## Sample List of Ineligible Expenses

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|---|---|---|
| <ul style="list-style-type: none"> <li>■ Contact Lens or Eyeglass Insurance</li> <li>■ Cosmetic Surgery/Procedures</li> </ul> | <ul style="list-style-type: none"> <li>■ Marriage or Career Counseling</li> <li>■ Swimming Lessons</li> </ul> | <ul style="list-style-type: none"> <li>■ Personal Trainers</li> <li>■ Sunscreen Electrolysis</li> </ul> |
|---|---|---|

*NOTE: Recently, you gained even more flexibility in your ability to save when the CARES Act was signed into law.*

This new legislation expanded the list of expenses that are considered eligible by including popular over-the-counter products, which consumers can now purchase with their FSA without a prescription. This change went into effect on January 1, 2020, and allows over 20,000 new expenses as eligible moving forward. That's great news for consumers, since the average American shops for over-the-counter medications 26 times each year.

Here are five of the most common expenses that are now eligible to use FSA funds without a prescription.

- **Pain Relief Medications**

Headaches. Muscle soreness. Sprains. There are so many reasons to need pain relievers. There are two common types of over-the-counter pain medications: acetaminophen and nonsteroidal anti-inflammatory drugs (NSAIDs), both of which are now among the eligible expenses available from an FSA.

- **Cold And Flu Products**

Winter may be behind us, but cold and flu season never really goes away. As much as 20 percent of the U.S. population gets the flu, on average each season. Fortunately, the over-the-counter medicines taken to cope with a severe cough or congestion are now eligible expenses.

- **Allergy Products**

Thirty percent of American adults and 40 percent of children suffer from allergies. And the cost of allergies to the healthcare system is estimated at \$18 billion. Those who do have allergies can now find relief with their FSA funds in the form of over-the-counter antihistamines and decongestants.

- **Heartburn Medications**

Heartburn is among the more common afflictions in this country. That's why Americans spend billions of dollars each year on medicines that treat heartburn. The CARES Act means that these over-the-counter drugs are FSA eligible without a prescription.

- **Menstrual Products**

The CARES Act also included menstrual care products as eligible expenses for FSAs. Eligible products include tampons, pads and menstrual sponges.

### How Do I Know What Qualifies?

- Consumers can simply scan a product bar code right in their mobile app to help determine eligibility as a qualified medical expense. That's peace of mind with a touch of a button.
- Online shopping for eligible expenses can be done on sites like FSA Store. This site is dedicated to items that are eligible under pre-tax accounts like FSAs.