What Expenses Can Be Reimbursed Under a Health FSA?

Following is a list of some common expenses normally reimbursable under a Non-reimbursed Medical Flexible Spending Account, when incurred during the Plan year by the employee, the employee’s spouse, and/or the employee’s dependent. For an expense to be reimbursable under a Non-reimbursed Medical Flexible Spending Account, the expense must be for “medical care”. A physician’s certification of medical need may be requested prior to any/all reimbursements. The IRS defines “medical care” as amounts paid:

- For the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body;
- For transportation primarily for and essential to the medical care referred to above.

For expenses, other than those listed here, the following criteria apply:

- The expense must be primarily for a medical purpose;
- Where personal expenses are involved, the expense was incurred solely due to the medical condition; and
- Unreasonably expensive methods of achieving the medical result are not permitted.

Why is a Non-reimbursed Medical Spending Account more valuable, in most cases, than an income tax deduction?

- Many families owe no income tax so the deduction is of no benefit to them;
- Since most individuals do not itemize, most taxpayers fail to qualify for the deduction, which is only available to those who itemize;
- Higher-income individuals are more likely to itemize than lower-income individuals;
- Even for taxpayers who do itemize, the deduction doesn’t help because most non-reimbursed medical expenses do not exceed 7.5% of adjusted gross income;
- Individuals with health insurance are usually reimbursed for some medical expenses, reducing the chances they will pay much out-of-pocket.

Abortion (Legal Abortion only)
Acupuncture*
Adoption (Medical expenses incurred before adoption is finalized)
Air conditioner*
Air purifier*
Alcoholism* (Amount paid for inpatient treatment, including meals and lodging, at a therapeutic center for alcohol addiction. Transportation costs you pay to attend Alcoholics Anonymous meetings, if your attendance is pursuant to medical advice to treat a medical condition)
Ambulance
Artificial Limb
Artificial teeth
Automobile Modifications for physically handicapped person
Birth control pills
Blood Pressure monitoring devices
Braille books and magazines (Amount paid above the cost of regular printed material)
Breast pumps*
Capital Expenses* (Amounts you pay for special equipment installed in your home, or for improvements, if their main purpose is medical care for you, your spouse, or a dependent)
Chinese herbal doctor & herbal treatments (Only if legal under state law.)
Chiropractors
Christian Science Practitioners* (If payments are for medical care)
Coinsurance amounts and deductibles
Contact Lenses (Also materials and equipment needed for using lenses, such as saline solution and enzyme cleaner)
Contraceptives (over-the-counter contraceptives included)
Cosmetic Surgery* (Surgery necessary to improve a deformity arising from congenital abnormality, personal injury from an accident or trauma, or a disfiguring disease)
Counseling* (Marriage counseling is ineligible)
Crutches
Dancing Lessons*
Dental Treatment
Diagnostic services
Diapers or diaper services*
Ear plugs*
Exercise Equipment*
Eye examinations and eyeglasses
Fees for long-term sperm or embryo storage (To the extent necessary for immediate conception)
Fertility treatments (e.g., treatments, surgery, GIFT, etc.) (To the extent the treatment impacts the participant or a dependent of the participant. Expenses paid to or for an in vitro surrogate may not be deductible unless the surrogate is a tax dependent)
Flu Shots
Fluoridation device
Genetic Testing (To the extent it is done to determine possible defects)
Guide dog or other animal aide (Purchase, training, and care)
Hearing aids and batteries
Immunizations
Insulin
Laboratory Fees
Lamaze Classes
Language training for child with dyslexia or disabled child
Laser eye surgery
Lead-based paint removal (The cost of removing lead-based paints from surfaces in the home to prevent a child who has or has had lead poisoning from eating the paint. These surfaces must be in poor repair and within the child’s reach)
Learning disability* (Amount paid to special school or specially-trained teacher, which is prescribed by a physician, for a child who has a severe learning disability caused by mental or physical impairments)
Legal fees* (Amount paid toward legal fees to authorize treatment for mental illness may be deductible. Legal fees incident to divorce, even if prescribed by a physician, are not deductible)
Massage therapy* (If prescribed by a physician to treat a specific injury or trauma - not to relieve stress or depression)
Mastectomy – related special bras* (If prescribed by a physician for mental health treatment)
Medic alert bracelet or necklace*
Medical conference admission and transportation to/from (If primarily essential to the medical care of a dependent)
Medical Information Plan (Medical expense amounts paid to a plan that keeps your medical information so that it can be retrieved from a computer data bank for your medical care)
Medical monitoring and testing devices (blood pressure monitor, syringes, glucose kit, etc.)
Medical records charges (Fee associated with transferring medical records to a new practitioner)
Mentally Retarded, Special Home for * (The cost of keeping a mentally retarded person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living)
Naturopathic expenses (Expenses of professional – if legal)
Norplant insertion or removal
Nursing Home (The cost of medical care in a nursing home or home for the aged for yourself, your spouse, or your dependents. This includes the cost of meals and lodging in the home if the main reason for being there is to get medical care. Does not include the cost of meals and lodging if the reason for being in the home is personal)
Nursing services*
Nutritionist’s professional expense* (As long as treatment relates to a specifically diagnosable medical condition such as high blood pressure, obesity, etc.)
Occlusal guards to prevent teeth grinding
Organ Donors (Only if the expenses were incurred by the participant, the participant’s spouse, or the participant’s dependent)
Orthodontia (Only as services are incurred)
Osteopath
Over-the Counter Medicines, Drugs, and Supplies**
Ovulation monitor
Oxygen
Patterning exercises
Physical exams (Excluding employment related physicals)
Physical therapy*
Prescription sunglasses
Pregnancy test – over-the-counter
Psychiatric care/Psychoanalysis/Psychologist
Rogaine*
Safety glasses*
Schools and Education, Special Needs (Special school for a mentally impaired or physically disabled person if the main reason for using the school is its resources for relieving the disability)
Sleep deprivation testing and treatment
Smoking cessation program*
Special foods (e.g., gluten free or salt free diet)* (to the extent the cost exceeds cost of commonly available versions of the same product)
Sterilization
Supplies to treat medical condition (e.g., bandages, gauze, batteries for hearing aids, etc)*
Swimming lessons*
Tanning salons and equipment*
Telephone (The cost of special telephone equipment that lets a hearing-impaired person communicate over a regular telephone)
Television (The cost of equipment that displays the audio part of television programs as subtitles for hearing-impaired persons)
Travel expenses for person seeking treatment
Amounts paid for transportation primarily for, and essential to, medical care. Includes parking fees and tolls. You can include:
- Bus, taxi, or plane fares or ambulance service,
- Transportation expenses of a parent who must go with a child who needs medical care
- Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and
- Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment.
Transplants
Tuition for special needs program (e.g., reading program for dyslexia)*
Vaccines
Vasectomy
Vitamins* (If only available by prescription)
Weight loss program and/or drugs *
Wheelchair
Wigs* (If prescribed for the mental health of the patient)
X-ray fees

*If prescribed by a physician to treat a specific medical condition. Certification of medical need may be required.
**See OTC Guidelines for specifics.