



Helpful Information Regarding Eligible Health Care Expenses

We're committed to giving you the resources you need to help you make the best benefit decisions for you and your family. If you are thinking about participating in a Health Savings Account (HSA), Health Care Flexible Spending Account (FSA) or limited-purpose Health Reimbursement Account (HRA) there are three useful sites that provide more information about what's considered an eligible health care expense for reimbursement:

[IRS Publication 502](#)

IRS Publication 502 provides a general list of eligible health care expenses and details what expenses and whose expenses you can and cannot include when determining your health care expenses for your "Schedule A" deductions.

Important Details for Health Care FSA participants – IRS Publication 502 is not specific to just FSAs. It is generally used by individual taxpayers to determine the health care expenses they can claim on their income tax returns. This means that not everything in IRS Publication 502 applies to FSAs.

- To receive reimbursement from an FSA, you have to incur an eligible expense during the time that you're enrolled in the FSA. An expense is incurred at the time you receive the health care or service, not when you're billed or pay for the expense. (The Schedule A deduction allows for expenses paid during the year.)
- Health insurance premiums and long term care (LTC) premiums are not eligible FSA expenses. (The Schedule A deduction allows for premiums and LTC expenses.)
- Certain over-the-counter (OTC) health care items are eligible FSA expenses. However, you need a prescription for OTC drugs and medicines in order to receive reimbursement from the FSA. (The individual taxpayer's income tax return does not allow a deduction for OTC items, drugs and medicines.)

[IRS Publication 969](#)

IRS Publication 969 explains what is and is not eligible for a Health Care FSA, limited-purpose HRA and HSA.

[PayFlex's Eligible Expense Guide](#)

The PayFlex Eligible Expense Guide lists services and products that are generally eligible, ineligible or may be eligible for reimbursement from a Health Care FSA and an HSA.

This information is being provided as a resource and is not meant to provide individual tax guidance. As always, you should consult a tax professional before making any decisions.