



Qualified and non-qualified expenses

Funds you withdraw from your HSA are income tax-free when used to pay for qualified medical expenses as described in Section 213(d) of the Internal Revenue Service Tax Code. These expenses must not have been reimbursed previously by any other coverage, such as your Flexible Spending Account. In general, the IRS requires that expenses must be for the diagnosis, cure, mitigation, treatment or prevention of disease, and for treatments affecting any part or function of the body. IRS Publication 969, "Health Savings Accounts and Other Tax-Favored Health Plans," explains about qualified medical expenses and is available on the IRS website, www.irs.gov.

The following list provides examples of qualified and non-qualified medical expenses. This list is not all-inclusive. Remember, the IRS may modify its list of qualified expenses from time to time. As always, consult your tax advisor should you require specific tax advice.

Qualified medical expenses may include:

- Acupuncture
- Alcoholism treatment
- Ambulance
- Breast reconstruction surgery (mastectomy-related)
- Chiropractor
- Contact lenses
- Dental treatment (X-rays, fillings, braces, extractions, etc.)
- Diagnostic devices (such as blood sugar test kits for diabetics)
- Doctor's office (including physicians, surgeons, specialists or other medical practitioners) visits and procedures
- Drug addiction treatment
- Eyeglasses and exams (for medical reasons)
- Eye surgery (such as laser eye surgery or radical keratotomy)
- Hearing aids (and batteries for use)
- Hospital services
- Laboratory fees
- Nursing home
- Operations/surgery (excluding unnecessary cosmetic surgery)
- Osteopath
- Physical Therapy
- Prescription Drugs
- Psychiatric care
- Speech Therapy
- Stop-smoking programs (including nicotine gum or patches)
- Vasectomy
- Weight-loss program (to treat a specific disease diagnosed by a physician)

Nonqualified medical expenses may include:

- Advance payment for future medical care
- Amounts reimbursed from any other source (such as other health coverage or a Flexible Spending Account)
- Betting (including lottery, gaming, chips, or track wagers)
- Cosmetic surgery (unless due to trauma or disease)
- Diaper service
- Electrolysis or hair removal
- Gasoline
- Household help
- Illegal operations and treatments
- Maternity clothes
- Nutritional supplements
- Teeth whitening
- Weight loss program (unless prescribed to treat a specific disease)

Health savings accounts (HSAs) are individual accounts offered by Optum Bank®, Member FDIC, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply. Fees may reduce earnings on accounts. FSAs are administered by OptumHealth Financial Services, Inc. and are subject to eligibility and restrictions. This communication is for general informational purposes and is not intended as legal, investment or tax advice. Please contact a competent legal, investment or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change.

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