

Cost of Medical Expenses Related to Nutrition, Wellness, and General Health

Cross References

- irs.gov (last updated on March 17, 2023)

The IRS has updated their frequently asked questions (FAQs) addressing whether certain costs related to nutrition, wellness, and general health are medical expenses under IRC section 213 that may be paid or reimbursed under a health savings account (HSA), health flexible spending arrangement (FSA), Archer medical savings account (Archer MSA), or health reimbursement arrangement (HRA).

IRC section 213 generally allows a deduction for expenses paid during the taxable year for medical care if certain requirements are met. Expenses for medical care also are eligible to be paid or reimbursed under an HSA, FSA, Archer MSA, or HRA. However, if any amount is paid or reimbursed under an HSA, FSA, Archer MSA, or HRA, a taxpayer cannot also deduct the amount as a medical expense on the taxpayer's federal income tax return.

Medical expenses are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and for the purpose of affecting any part or function of the body. These expenses include payments for legal medical services rendered by physicians, surgeons, dentists, and other medical practitioners. They include the costs of equipment, supplies, and diagnostic devices needed for these purposes. They also include the costs of medicines and drugs that are prescribed by a physician.

Medical expenses must be primarily to alleviate or prevent a physical or mental disability or illness. They do not include expenses that are merely beneficial to general health.

The following FAQs were added to irs.gov on March 17, 2023.

Q1. Is the cost of a dental exam a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A1. Yes, because the dental exam provides a diagnosis of whether a disease or illness is present.

Q2. Is the cost of an eye exam a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A2. Yes, because the eye exam provides a diagnosis of whether a disease or illness is present.

Q3. Is the cost of a physical exam a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A3. Yes, because the physical exam provides a diagnosis of whether a disease or illness is present.

Q4. Is the cost of a program to treat a drug-related substance use disorder a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A4. Yes, because the program treats a disease (substance use disorder).

Q5. Is the cost of a program to treat an alcohol use disorder a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A5. Yes, because the program treats a disease (alcohol use disorder).

Q6. Is the cost of a smoking cessation program a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A6. Yes, because the smoking cessation program treats a disease (tobacco use disorder).

Q7. Is the cost of therapy a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A7. Yes, if the therapy is treatment for a disease. For example, an amount paid for therapy to treat a diagnosed mental illness is a medical expense, but an amount paid for marital counseling is not.

Q8. Is the cost of nutritional counseling a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A8. Yes, but only if the nutritional counseling treats a specific disease diagnosed by a physician (such as obesity or diabetes). Otherwise, the cost of nutritional counseling is not a medical expense.

Q9. Is the cost of a weight-loss program a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A9. Yes, but only if the program treats a specific disease diagnosed by a physician (such as obesity, diabetes, hypertension, or heart disease). Otherwise, the cost of a weight-loss program is not a medical expense.

Q10. Is the cost of a gym membership a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A10. Yes, but only if the membership was purchased for the sole purpose of affecting a structure or function of the body (such as a prescribed plan for physical therapy to treat an injury) or the sole purpose of treating a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). Otherwise, the cost of a gym membership is for the general health of the individual and is not a medical expense.

Q11. Is the cost of exercise for the improvement of general health, such as swimming or dancing lessons, a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A11. No, because the exercise, even if recommended by a doctor, is only for the improvement of general health.

Q12. Is the cost of food or beverages purchased for weight loss or other health reasons a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A12. Yes, but only if (1) the food or beverage doesn't satisfy normal nutritional needs, (2) the food or beverage alleviates or treats an illness, and (3) the need for the food or beverage is substantiated by a physician. The medical expense is limited to the amount by

which the cost of the food or beverage exceeds the cost of a product that satisfies normal nutritional needs. If any of the three requirements is not met, the cost of food or beverage is not a medical expense.

Q13. Is the cost of nonprescription (over-the-counter) drugs and medicines a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A13. Yes. Except for the cost of insulin, the cost of a drug that is not prescribed by a physician is not a medical expense that is deductible under IRC section 213. However, the cost of over-the-counter drugs and also menstrual care products may be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA.

Q14. Is the cost of nutritional supplements a medical expense that can be paid or reimbursed by an HSA, FSA, Archer MSA, or HRA?

A14. Yes, but only if the supplements are recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician. Otherwise, the cost of nutritional supplements is not a medical expense.