

Which medical expenses can be paid for with tax-deductible VEBA funds?

The following is a partial list of eligible/potentially eligible/ineligible medical expenses. If you have any questions about an item's eligibility, please contact SelectAccountSM customer service at (651) 662-5065 or toll free at 1-800-859-2144.

For over-the-counter expenses, see the [Over-the-Counter Eligibility List](#).

Eligible medical expenses

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|---|---|--|
| Abdominal supports | Embryo, egg and sperm storage fees | Orthopedic inserts |
| Abortion | Eye exams | Oxygen and oxygen equipment |
| Acupuncture | Eye surgery (laser or radial keratotomy) | Patient responsibilities under the medical, dental or vision plan solely because of the plan's deductible, copay (coinsurance), reasonable and customary charge limit or benefit limit |
| Alcoholism treatment | Eyeglasses – prescription sunglasses/safety glasses | Physical exams (routine, medical, well-child) |
| Ambulance | Eyeglasses – reading | Physical therapy |
| Arch supports | Fertility treatments (e.g., artificial insemination, egg donor fees, in vitro) | Prenatal/postnatal exams |
| Artificial limbs | Flu shots | Prescription drugs (prescription drugs imported from other countries are not covered) |
| Asthma treatments/nebulizer | Fluoridation treatment at a dental office | Preventive care screenings (e.g., mammogram, colonoscopy) |
| Bariatric surgery | Gambling addiction treatment | Prosthesis |
| Blood pressure monitoring devices | Group therapy (for patient) | Psychiatric care |
| Body scans (e.g., MRI, CAT Scan) | Hearing tests and aids | Shipping and handling fees for eligible expenses |
| Brace (e.g., knee, back, wrist) | Home health care | Sleep study |
| Breast pumps | Hormone replacement therapy (HRT) | Smoking cessation medications/programs |
| Childbirth/lamaze classes (related to birth) | Immunizations | Speech therapy |
| Chiropractic treatments (e.g., adjustments) | Individual counseling (counseling must be performed to alleviate or prevent a physical or mental defect or illness) | Taxes paid for eligible expenses |
| Circumcision | Insurance premiums* | Transportation expenses relative to health care (corresponding medical documentation requested) |
| Coinsurance amounts (health, dental or vision) | Lab tests | Tubal ligation/tubal ligation reversal |
| Contact lenses (corrective) | Long Term Care Premiums | Vaccinations |
| Convalescent home (for medical treatment only) | Mastectomy-related special bras | Varicose veins, treatment of |
| Copayments (health, dental or vision) | Medical records charges | Vasectomy/vasectomy reversal |
| C-PAP machine and supplies | Mental health treatment facility | Walkers/canes (purchase or rental) |
| Crutches (purchase or rental) | Nutritional consultation | Wheelchair (purchase or rental) |
| Deductibles (health, dental or vision) | Occlusal guards to prevent teeth grinding | X-rays |
| Dental procedures, non-cosmetic (e.g., X-rays, fillings, extractions, crowns, implants) | Oral surgery | |
| Dentures | Organ transplant (including donor's expenses) | |
| Diabetic supplies (e.g., insulin, syringe, monitor, insulin pump) | Orthodontics | |
| Drug addiction/substance abuse treatment | | |

*** Active employee VEBA accounts can reimburse stand alone insurance policy premiums like dental, vision, or other benefits policies not under guidance by the Affordable Care Act.**

These lists are intended to serve as a quick reference and are provided with the understanding that SelectAccount is not engaged in rendering tax advice. For more detailed information, please refer to IRS Publication 502, "Medical and Dental Expenses," Catalog Number 15002Q. Publications can be ordered from the IRS by calling 1-800-TAX-FORM (1-800-829-3676). If tax advice is required, seek the services of a competent professional.

Potentially eligible medical expenses (requires Letter of Medical Necessity from health care provider)

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| Air conditioner (capital expense) | Genetic testing | Massage therapy |
| Air purifier (potential capital expense) | Group therapy for family member | Medical conference admission and transportation (excludes meals and lodging) |
| Athletic club membership | Guide dog/service animal (purchase, care for, training) | Mentally handicapped residential or group home |
| Automobile modifications (capital expense) | Herbal treatments | Orthopedic shoes |
| Behavioral modification programs | Herbal treatments | Personal trainer fees |
| Breast reconstructive surgery | Holistic or natural healers consult | Prescription drugs that also have a cosmetic purpose (e.g., Retin-A, Rogaine, Botox, Propecia) |
| Breast reduction surgery that is medically necessary | Home improvements (e.g., exit ramps, widening doorways) (capital expense) | Special education costs for dependents with disabilities Stem cell, harvesting and/or storage of |
| Cosmetic surgery (for repair or reconstruction after accident or surgery or for correction of birth defect) | Household products/improvements to treat allergies | Telephone/television equipment for hearing-impaired persons |
| DNA collection and storage | Lactation consultant | Umbilical cord, freezing and storing of |
| Dyslexia testing and instruction | Lead-based paint removal | Weight loss program (if prescribed by a physician for a specific medical condition – excludes food) |
| Elevator (capital expense) | Learning disability treatment | Wigs |
| Exercise equipment or programs | Lodging (away from home for outpatient care – special rules may apply) | |
| Fluoridation device | Manual therapy | |
| Food thickeners | | |

Ineligible medical expenses

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| Birthing tubs | Illegal operations and treatments | Prepayments |
| Bottled water | Illegally obtained drugs | Prescription drug discount program fees |
| Braille books/magazines | Late fees (e.g., for late payment of bills for medical services) | Prescription drugs and medicines imported from other countries |
| Cleaning service | Lodging while attending a medical conference | Special foods/beverages |
| Cosmetic surgery and procedures | Marijuana or other controlled substances in violation of federal law | Sports training and activities |
| Cosmetics, hygiene products and similar items | Marriage counseling | Surrogate expenses |
| Dancing lessons | Maternity clothes | Swimming lessons |
| Diapers or diaper service | Meals | Swimming pool and maintenance |
| Diet foods | Medical newsletter | Tanning salons and equipment |
| Ear or body piercing | Missed appointment fees | Teeth whitening |
| Electrolysis or hair removal | Mouthwash | Transportation costs of disabled individual commuting to and from work |
| Feminine hygiene products (e.g., tampons) | New parent/newborn child care classes | Travel for general health improvement |
| Funeral, cremation or burial expenses | Non-prescription eyeglasses, sunglasses, safety glasses or contacts | Veneers |
| Hair colorants | | |
| Hair transplants | | |
| Household help | | |

Eligible medical expense

Medical expenses that can be reimbursed through your VEBA include services and supplies incurred by you or your eligible dependents for the diagnosis, treatment or prevention of disease or for the amounts you pay for transportation to get medical care.

In general, deductions allowed for medical expenses on your federal income tax according to Internal Revenue Code Section 213(d) may be reimbursed through your VEBA. You cannot deduct your medical expenses on federal income tax that have been reimbursed through your VEBA. It is possible that changes in the IRS rules can affect the eligible, potentially eligible, and/or ineligible expense categories.

Potentially eligible medical expenses

In order to determine eligibility for potentially eligible items, SelectAccount requires a Letter of Medical Necessity from your health care provider. You can obtain a Letter of Medical Necessity to have your health care provider complete at www.selectaccount.com.

Capital expense

A capital expense is an improvement and/or special equipment added to a home or other capital expenditure that may be eligible if the primary purpose is medical care. A Letter of Medical Necessity is required from your health care provider. To submit your capital expense, you must have an appraisal of your home within one year prior to the installation and an appraisal after the installation to determine the value added to the home. The amount eligible is the difference between the cost of the expense and the increase in the additional value of your home. If the improvement/special equipment is used by individuals other than the person needing it for medical care, the eligible amount should be divided by the number of people using the item. Example: A ramp is purchased for \$3,000 and prior to installation your house is appraised at \$100,000. After installation of the ramp your house is appraised for \$101,000. The amount that is eligible under your VEBA is \$2,000.

For assistance in calculating capital expense, the Capital Expense Worksheet is available at www.selectaccount.com. If you have questions about a capital expense, please contact customer service for a more detailed explanation.