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 SelectAccount™ 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

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

* 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)

- Air conditioner (capital expense)
- Air purifier (potential capital expense)
- Athletic club membership
- Automobile modifications (capital expense)
- Behavioral modification programs
- Breast reconstructive surgery
- Breast reduction surgery that is medically necessary
- Cosmetic surgery (for repair or reconstruction after accident or surgery or for correction of birth defect)
- DNA collection and storage
- Dyslexia testing and instruction
- Elevator (capital expense)
- Exercise equipment or programs
- Fluoridation device
- Food thickeners
- Hair colorants
- Hair transplants
- Genetic testing
- Group therapy for family member
- Guide dog/service animal (purchase, care for, training)
- Herbal treatments
- Holistic or natural healers consult
- Home improvements (e.g., exit ramps, widening doorways) (capital expense)
- Household products/improvements to treat allergies
- Lactation consultant
- Lead-based paint removal
- Learning disability treatment
- Lodging (away from home for outpatient care – special rules may apply)
- Manual therapy

### Ineligible medical expenses

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

### 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](http://www.selectaccount.com).

- Massage therapy
- Medical conference admission and transportation (excludes meals and lodging)
- Mentally handicapped residential or group home
- Orthopedic shoes
- Personal trainer fees
- Prescription drugs that also have a cosmetic purpose (e.g., Retin-A, Rogaine, Botox, Propecia)
- Special education costs for dependents with disabilities
- Stem cell, harvesting and/or storage of
- Telephone/television equipment for hearing-impaired persons
- Umbilical cord, freezing and storing of
- Weight loss program (if prescribed by a physician for a specific medical condition – excludes food)
- Wigs

### 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 for $101,000. 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](http://www.selectaccount.com). If you have questions about a capital expense, please contact customer service for a more detailed explanation.