

The Complete Guide

of HRA eligible expenses when considering an ICHRA

A Health Reimbursement Arrangement, HRA, is a popular employee benefit plan that allows employees to use pre-tax dollars to pay for qualified medical expenses and individual insurance premiums. HRAs are a great way for employers and employees to save on healthcare costs.

How they work is once an employer decides on an HRA type and plan design, employees submit for reimbursement on qualified medical expenses. This guide will show you how to get the most out of your HRA by knowing the ins and outs of eligible HRA expenses.

HRA Eligible Expenses

First, let's understand the most common type of HRA and how it functions.

ICHRA: The Individual Coverage Health Reimbursement Arrangement is for employees of any size; however, reimbursements must be used toward health insurance premiums purchased for INDIVIDUAL health plans. Depending on the employer, they may also opt to include certain qualified medical expenses for reimbursement in addition to the cost of premiums.

How are HRA Qualified Medical Expenses determined?

Qualified medical expenses for an HRA are those that would be eligible for reimbursement under a typical major medical plan. This includes deductibles, copayments, coinsurance, or out-of-pocket costs. In addition, qualified medical expenses for an HRA can also include dental and vision care expenses, as well as prescription drugs. The list of qualified medical expenses is determined by IRS; see [IRS Publication 502](#).

What medical expenses can be reimbursed with an HRA?

If the HRA includes out-of-pocket medical costs, they have to be qualified expenses recognized by the IRS. Here is a list of those included on the list:

Acne Medication and Treatments, Acupuncture, Addiction Treatment, Adoption Related Medical Expenses, Alcoholism Treatment, Allergy and Sinus Medicine and Products, Ambulance (and other medical emergencies), Anesthesia (Including Dental, Medical, and Vision Treatments), Antacid, Antibiotic Ointment, Artificial Limbs, Artificial Teeth, Aspirin (or other pain relievers), Asthma Medicines or Treatment (over-the-counter), Bandages, Birth Control (including over-the-counter), Blood Pressure Monitor, Body Scans, Braille Books and Magazines (exceed costs of regular printed editions), Breast Pump and Accessories, Breastfeeding Classes, Canker and Cold Sore Treatment (over-the-counter), Childbirth Classes, Chiropractor, Cholesterol Test Kit and Supplies, Christian Science Practitioner, COBRA Premiums (Premiums are only reimbursable with a QSEHRA or ICHRA), Cold and Flu Medicine, Contact Lenses (including saline solution and enzyme cleaner), Contraceptives, Corn and Callus Remover, Corneal Keratotomy, Cough Drops and Syrup, Crutches, Dental and Oral Pain Products (over-the-counter), Dental Treatment (preventative and dental disease, non-cosmetic), Dental Surgery, Dentures and Bridges, Diagnostic Devices (i.e. blood sugar test kit for diabetics), Dermatologist, Diaper Rash Creams (over-the-counter), Doctor visits (medical), Ear Drops and Wax Removal, Eye Exam, Eyeglasses, Eye Surgery (treatment of defective vision including Lasik), Feminine Hygiene, Fertility Enhancement (in vitro fertilization and

surgery), First Aid Kits, Flu Shots, Fluoride Treatment, Guide Dogs, Hearing Aids, Hospitalization, Immunizations, Incontinence Supplies, Laboratory Fees, Lactose Intolerance Medication, Laxatives, Learning Disability Treatments, Legal Fees, Lice Treatment (over-the-counter), Listening Therapy, Medical Abortion, Lodging for Medical Care (including dental and vision care), Mastectomy-related Specialized Bras, Medical Equipment and Repairs, Medical Operations, Medical Records Charges, Medical X-Ray Charges, Menstrual Care Products, Mental Health Counseling, Midwife, Nasal Sprays, Nasal Strips, Norplant Insertion or Removal, Nursing Services, OB/GYN, Occlusal Guards (teeth grinding prevention), Occupational Therapy, Optometrist or Ophthalmologist, Ortho Keratotomy, Orthodontia (braces and retainers) Orthopedic and Surgical Supports, Orthotics, Ovulation Monitor, Oxygen, Physical Exams, Physical Therapy, Pregnancy Tests, Prescription Drugs, Psychiatric Care, Psychoanalyst, Psychologist, Radial Keratotomy, Reading Glasses, Sleeping Aids and Sedatives (over-the-counter), Spermicides, Splints and Support Braces, Sterilization, Stop Smoking Programs, Stop Smoking drugs (including gums and patches), Sunglasses (prescription), Sunscreen (SPF15+), Therapy, Transplants, Transportation (healthcare-related expenses), Tubal Ligation, Urological Products, Vaccinations, Varicose Vein Removal Surgery, Vasectomy, Vision Care, Walking Aids, Wart Removal Products, Wheelchair, Wound Care

Qualified expenses [with a prescription/note from a Doctor]

Some qualified expenses need a prescription or a note from a doctor in order to be eligible for reimbursement.

Alternative Dietary Supplements, Alternative Healers, Breast Reconstruction Surgery (following mastectomy treatment for cancer), Car Modifications, Compression Socks, Cord Blood Storage, Cosmetic Procedures for Birth Defects/Injury, Dental Veneers, Dermatology Products, Dietary Supplements, Dietitian, Doula, Dyslexia Treatment, Exercise Equipment, Fitness

Programs, Homeopathic Medicines, Home Modifications, Humidifier, Magnetic Therapy, Massage Therapy, Medicated Toothpaste, Nutritional Supplements, Orthopedic Shoes and Inserts, Special Schooling (Mental and Physical Disabilities), Swimming Therapy, Transgender Treatments and Surgery, Vitamins, Weight Loss Drugs, Weight Loss Programs (Doctor Supervised)

Insurance Premiums

There are many different kinds of insurance premiums. The IRS has also laid out which premiums are qualified medical expenses and can be used to pay for with an HRA.

- COBRA Insurance Premiums
- Dental Insurance Premiums
- Vision Insurance Premiums
- Health Insurance Premiums (including those purchased on the exchange)
- Long-term Care Premiums
- Medicaid/Chip Insurance Premiums
- Medicare Part A and B Premiums
- Medicare Supplement Insurance Premiums
- Multiplan Insurance Premiums
- Prescription Insurance Premiums
- Short Term Medical Insurance Premiums
- TRICARE Insurance Premiums

What medical expenses CANNOT be reimbursed?

The IRS also provides guidance on what CAN NOT BE DEDUCTED as a qualified medical expense. They include...

Adoption Fees, Airborne/Vitamin C, Athletic Club Membership, Automobile Insurance Premiums, Baby Powder, Cancer Insurance Premiums, Childcare, Concierge Medical Fees, Cosmetic Procedures, Cosmetics, CPR Classes, Dental Floss, Dental Toothpaste (over-the-counter), Diapers, Diaper Pails, Elderberry, Electrolysis, Face Lift, Funeral

Expenses, Hair Regrowth Products, Hair Transplants, Hair Treatment, Hand Lotions, Lactation Items, Long-Term Care Services, Marriage Counseling, Maternity Clothes, Sunscreen with less than SPF 15, Teeth Bleaching, UV Protection Clothing, Vitamins (General Health), Weight Loss Foods, Weight Loss Programs for General Health

Still have questions?

If you still have questions contact MillenGroup at
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We'd be happy to help!