Pay for Qualified Medical Expenses Tax-Free!*

Your UMB Health Savings Account (HSA) is a versatile tool that allows you to decide whether to spend your money to pay for current qualified medical expenses or save your money and allow your HSA to grow for future qualified medical expenses and even retirement!

UMB offers 3 convenient ways for you to spend the money in your HSA:

1. ***UMB HSA Visa® debit card***– For expenses such as prescriptions and over-the-counter items, you no longer have to use cash, checks or credit cards, or wait to be reimbursed for out-of-pocket expenses. Instead, you simply pull out your UMB HSA Visa debit card, pay—and go. Your total purchase on the card is deducted from your HSA.
2. ***HSA Online Bill Pay***– For other types of expenses such as doctor's visits or hospitalization, you may need to pay your portion of the medical bill after you receive your Explanation of Benefits from your insurance provider. In these instances, you may pay with your UMB HSA Visa® debit card OR HSA Bill Pay. With Bill Pay, UMB will send a check directly to your provider from your HSA.
3. ***HSA Online Reimbursement***– When you must use cash or another form of payment such as a personal credit card to pay for qualified expenses, you can easily reimburse yourself by using UMB's online banking feature, "Request a Reimbursement". Based on your direction, UMB will transfer funds from your HSA to your checking/savings account.

Qualified medical expenses are defined by IRS Code, Section 213(d) and include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease for the purpose of affecting any structure or function of the body.

Qualified Medical Expenses**

- Acupuncture
- Alcoholism treatment
- Ambulance service
- Annual physical examination
- Artificial Limb
- Artificial Teeth
- Body Scan
- Braille books and magazines (partial cost)
- Breast Reconstruction Surgery following a mastectomy
- Capital expenses for special equipment installed in home for main purpose of medical care (ex: support bars, exit ramps, lowering of cabinets)
- Car special equipment for disabilities
- Chiropractor
- Christian Science Practitioner
- COBRA premiums
- Contact lenses and supplies
- Dental treatments (ex. cleanings, fluoride treatments, x-rays, fillings, extractions)
- Dentures
- Diagnostic devices (ex. blood sugar test kit)
- Doctor's visits
- Drug Addiction treatment
- Eye Exam
- Eyeglasses
- Eye surgery (including laser vision correction surgery)
- Fertility procedures
- Guide dog or other service animal
- Health plan premiums during a period in which you are receiving government unemployment compensation
- Hospital Services
- Laboratory Fees
- Long Term Care insurance premiums
- Medicare Part A, B, C, or D
- Nursing home (non-custodial)
- Nursing services
- Operations
- Optometrist
- Orthodontia (braces)
- Over-the-Counter Medicines and Supplies (see back page for details)
- Oxygen and equipment
- Pre-natal vitamins
- Prescription medication
- Psychiatric care
- Psychologist Special home for intellectually and developmentally disabled
- Special Education
- Stop-Smoking programs
- Telephone and Television for hearing impaired
- Therapy
- Transplant (ex: heart, kidney)
- Transportation for medical care
- Vasectomy and sterilization
- X-rays

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Over the Counter (OTC) Medicines and Supply Expenses**

With the passage of the Patient Protection and Affordable Care Act on March 23, 2010 there are important changes to qualified OTC expenses. Most OTC medicines will now require a prescription in order to be eligible for payment through your HSA. Some OTC items that still qualify WITHOUT a prescription are listed below:

- Bandages
- Crutches
- Hearing Aids and batteries
- Insulin and supplies
- Pregnancy Test Kit
- Wheelchair

Non-Qualified Expenses**

Expenses for items that are merely beneficial to the general health of an individual are not considered qualified expenses. If you use your HSA to pay for expenses that are not qualified you will have to pay income tax and a 20 percent penalty on the non-qualified purchase amount. Below are some examples of non-qualified expenses:

- Childcare for normal, healthy baby
- Controlled substances that violate federal law
- Cosmetic dentistry
- Cosmetic surgery
- Dancing lessons
- Electrolysis
- Funeral expenses
- Hair transplant
- Health club dues
- Household help
- Late Charges
- Maternity clothes
- Nutritional supplements and vitamins
- OTC medications (without a prescription)
- Swimming lessons
- Teeth Whitening
- Vacation
- Veterinary Fees

Documentation of Qualified Medical Expenses

The IRS requires that you keep itemized receipts to document your qualified withdrawals. Those receipts must include the date of service and the type of expense. Bankcard statements and estimates of expenses are not permitted.

Whose expenses are qualified?

Your qualified tax-free HSA* withdrawals may be for expenses incurred by you, your spouse or your eligible dependents (Section 152 of the federal tax code), regardless of whether or not they are covered under your health plan.

When are expenses qualified?

Your expenses are qualified when they are incurred after your HSA is established. Then, even if you lose eligibility to make contributions to your HSA, you may still spend the money you have accrued in your HSA to pay for qualified medical expenses, tax-free.*

Questions?

Contact your helpful UMB Healthcare Services customer support agent at 866.520.4HSA (4472), or visit us at hsa.umb.com.

**All mention of taxes is made in reference to federal tax law. State taxes may vary, consult your tax adviser for details.*

***For additional details on what qualifies or doesn't qualify as a medical expense see IRS tax publication 502: Medical and Dental Expenses on the web at http://www.irs.gov/publications.*

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