

Can I use my Health Savings Account (HSA) for plastic surgery?

Most of the time, the answer is no.*

Cosmetic procedures such as facelift, Botox, and liposuction are usually ineligible, unless the procedure is necessary to improve a deformity due to a congenital abnormality, personal injury or disfiguring disease. Therefore, in the vast majority of cases, cosmetic procedures are not eligible for reimbursement with a flexible spending account (FSA), health savings account (HSA), health reimbursement arrangement (HRA), limited-purpose flexible spending account (LPFSA) or a dependent care flexible spending account (DCFSA).

What are the IRS regulations for cosmetic procedures?

IRS regulation IRC 213(d) defines taxable medical deductions, and is especially relevant in regards to the eligibility of medical expenses like cosmetic procedures. Under IRS 213(d), medical care refers to the "diagnosis, cure, mitigation, treatment or prevention of a disease, or for the purpose of affecting any structure or function of the body."

This particular definition helps benefits administrators determine whether a specific medical procedure is eligible for reimbursement through consumer-directed healthcare accounts like FSAs, HSAs and HRAs. In the vast majority of cases, cosmetic procedures are not meant to prevent or treat a specific medical condition or are simply done for "general health" purposes, so therefore they are rarely covered by most consumer spending accounts.

If you are considering using your HSA to pay for your plastic surgery procedure, it is your responsibility to verify that it is allowed under the terms of your plan.

*Source: HSAstore.com