



COMPLIANCE SNAPSHOT

Using Health FSAs and HSAs for Weight Loss Programs and Drugs

Health flexible spending accounts (FSAs) and health savings accounts (HSAs) are tax-advantaged accounts that can be used to pay out-of-pocket costs for **qualified medical expenses** that are not covered by a health plan. Qualified medical expenses must be incurred primarily to alleviate or prevent a physical or mental defect or illness. Expenses that are merely beneficial to general health are not qualified medical expenses.

General Rules

In general, weight loss programs and drugs are not qualified medical expenses if the purpose of the weight loss is the improvement of appearance, general health or sense of well-being. However, **if the weight loss is a treatment for a specific disease diagnosed by a physician** (e.g., obesity, diabetes, hypertension or heart disease), these costs may be considered qualified medical expenses that can be reimbursed tax-free through an HSA. A health FSA may also pay or reimburse these costs, depending on the plan's rules concerning eligible expenses.

Weight Loss Expenses

The following weight loss expenses are types of qualified medical expenses that a health FSA or an HSA may reimburse:

- Weight loss drugs that are prescribed for a medical condition; and
- Weight loss counseling or membership in a weight loss group when recommended by a physician to treat a medical condition.

Qualified medical expenses do not include membership dues for a gym, health club or spa, but they may include separate fees charged for weight loss activities if the treatment is for a specific disease diagnosed by a physician. Also, the extra cost of diet food or beverages is not a qualified medical expense that can be reimbursed by a health FSA or HSA on a tax-free basis unless the food or beverage does not satisfy normal nutritional needs and is needed to alleviate or treat an illness (as substantiated by a physician).

Provided to you by Weadock and Associates, LLC

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Highlights

- Health FSAs and HSAs cannot be used to pay for weight loss programs and drugs if the purpose of the weight loss is the improvement of appearance, general health, or sense of well-being.
- However, if the weight loss is a treatment for a specific disease that is diagnosed by a physician, such as obesity or diabetes, these items may be paid by an HSA or health FSA.

Resources

- IRS [FAQs](#) on medical expenses related to general health, nutrition and wellness.
- [Publication 502, Medical and Dental Expenses](#)
- [Publication 969, Health Savings Accounts and other Tax-Favored Health Plans](#)