

Using your HSA

during the coronavirus pandemic

How your Health Savings Account can help defray health care costs — and more

You may be looking at your Health Savings Account and wondering if you'll need it in the coming weeks and months — and, if so, how you can use it. Here are a few relevant reminders:

What you can use your HSA to pay for



The Internal Revenue Service (IRS) determines what medical expenses are eligible for reimbursement from your HSA. Some of those qualified medical expenses may be particularly useful now, including:

- Doctor visits and lab tests, including testing and treatment for COVID-19, if your insurance doesn't cover it (more on that later)
- Co-pays and co-insurance
- Prescriptions
- Over-the-counter medications, if you have a doctor's prescription. This includes pain relievers and treatment for cold, flu, and allergy symptoms.
- Mental health care (if stress and anxiety start to get the better of you, you can also consider using telemedicine, which will connect you with a mental health professional)



Note that respirators and face masks are not currently listed as qualified medical expenses, so it will be up to the IRS to approve reimbursement for these items. If your doctor suggests you need a respirator (to reduce your own exposure) or a face mask (to reduce exposure to others if you are sick), you can ask for a Letter of Medical Necessity to support your case with the IRS.

For a complete and up-to-date list of qualified medical expenses, see [IRS Publication 502](#).

Reimburse yourself



If you have money in your HSA but you need cash today to pay everyday expenses, you can reimburse yourself for qualified medical expenses you've paid for previously.

Don't limit your search for receipts to just the bullet points above. Consider the [full range of qualified medical expenses](#) you may have used in the past, including things like dental and vision check-ups and supplies.

For instance, if you bought a pair of prescription glasses or sunglasses last year and didn't use your HSA, you can reimburse yourself now. There is no time limit other than this: The expense must have been incurred after you opened the HSA.

Go back to your receipts and compare them against the list of qualified medical expenses to see if there's anything you can reimburse yourself for now.



If you lose your job

Remember, your HSA is yours to keep, no matter what happens. If you leave or lose your job, you are not required to move the account or cash it out. However, you will be responsible for account fees.

Normally, you can't use funds from your HSA to pay for health plan premiums. But there are important exceptions if you lose your job. You may use your HSA to pay for:

- Health care continuation coverage (such as COBRA, which typically lasts up to 18 months after job loss).
- Other coverage as long as you are receiving unemployment compensation under state or federal law.



If you are age 65 or over

There are a couple of important differences regarding HSA use if you're over 65:

- You can use your HSA funds to pay for premiums for Medicare Parts A, B, and D (though not Medigap supplements)
- You can withdraw money from your HSA to use on general expenses without paying a penalty. You would have to pay taxes on your withdrawal, just as you would from a retirement savings plan, but there is no penalty.

The information provided herein is general in nature. It is not intended, nor should it be construed, as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at [IRS.gov](https://www.irs.gov). You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses, online, or you can call the IRS to request a copy of each at 800.829.3676.

What your HSA-eligible health plan will cover



HSA-eligible health plans typically don't pay for treatment of illness until after you have reached your deductible, but that may not apply to COVID-19.

New regulations from the IRS allow HSA-eligible health plans to pay for both testing and treatment for COVID-19 from the first dollar — that is, without you having to meet your deductible before coverage kicks in. Both testing and treatment may now be considered "preventive care."

It's important to note that the guidance *allows* this full coverage but does not *require* it. Employers and insurers are making this decision individually, so call your human resources department or insurance company for information about your plan if the need arises.