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5 Ways to Use Your HSA Funds



A health savings account (HSA) offers more flexibility than many people realize. Beyond saving for future care, HSAs can cover a wide variety of everyday and specialized health expenses, helping you make the most of this tax advantaged benefit. An HSA can help cover the following five types of expenses:

1. **Qualified medical expenses**—Use HSA funds for doctor visits, lab tests, prescriptions, medical supplies, dental care and vision services for you and eligible family members.
2. **Wellness and preventive care**—Many preventive items qualify, including over the counter medications, first aid supplies, menstrual products, allergy treatments and sunblock.
3. **Fitness and health technology**—Fitness trackers, gym memberships or therapeutic equipment may be eligible with a letter of medical necessity.
4. **Specialized treatments and services**—Counseling, chronic disease programs, smoking cessation and addiction recovery services may qualify when medically necessary.
5. **Travel, equipment and supplies**—Certain travel costs, durable medical equipment and ongoing care supplies may also be covered.

Understanding eligible expenses helps you stretch your HSA dollars while supporting your overall health and well-being.

Letter of Medical Necessity Overview

A letter of medical necessity (LMN) is a document written and signed by a licensed health care provider explaining why a specific treatment, service or product is needed to diagnose, treat or manage a medical condition. An LMN helps establish that the expense is medically necessary rather than for personal use.

An LMN typically includes the patient's name and diagnosis, a description of the recommended treatment or item, an explanation of why it is medically necessary, the expected duration of use, and the provider's credentials and signature. While an LMN does not guarantee coverage or reimbursement, it provides essential documentation that plan administrators or account providers may require when reviewing claims. Reviewing plan rules and working with a provider can help avoid delays or denials.

What Is Coinsurance?

Coinsurance is a crucial aspect of the cost-sharing structure of health insurance. It represents the amount of health care costs you're responsible for paying after meeting your deductible. Unlike a copayment, or copay, which is a fixed dollar amount you pay for a specific service or medication, coinsurance is a percentage of the total cost of a covered service.

You will pay coinsurance for all covered medical services after you've hit your deductible and then until you reach your out-of-pocket maximum. After you reach your out-of-pocket maximum, your insurer will cover all in-network expenses that are approved by the plan. Coinsurance applies to the share of medical expenses you would otherwise pay out of pocket.