

Qualified Medical Expenses

Medical expenses are the costs associated with the diagnosis, cure, mitigation, treatment, or prevention of any disease recognized by the medical community (this includes Chiropractic practices and Christian Science), and the costs for treatments affecting any area or function of the body. Medical costs include the expenses of equipment, supplies, and diagnostic devices needed for the purposes listed above. They also include dental expenses.

Below is an alphabetical list of qualified medical deductions that might apply to you. This list is not definitive or all-inclusive.

- abortion, acupuncture, addiction treatment, ambulance service, annual physical examination, artificial teeth, autoette
- bandage, blood sugar test kit, body scan, breast pumps, breast reconstruction surgery, birth control pills, Braille books and magazines
- capital expenses, car (special equipment), chiropractor, Christian Science practitioner, clinic costs, contact lenses, cosmetic surgery to correct a disfigurement, crutches
- dental treatment, dentist, diagnostic devices, diagnostic tests, disabled dependent care expenses, doctor visit, drug addiction treatment, drugs (when prescribed by a physician)
- eye doctor, eyeglasses, eye surgery (including laser)
- fertility enhancement, founder's fee
- guide dog or other helper animal service
- health institute, health maintenance organization, hearing aids, home care, home improvements, hospital fees and services
- insulin, insulin treatments, insurance premiums, (care for the) intellectually or developmentally disabled
- laboratory fees, lactation supplies, lead-based paint removal, learning disability, legal fees, lifetime care, lodging while receiving medical care (up to \$50 a person per night), long-term care
- meals, medical conferences, medical examinations, medical information plan, medical services, Medicare Part B supplemental costs, Medicare Part D premiums, medicines (when prescribed by a physician)
- nursing home, nursing services
- occupational therapy, operations, optometrist, organ donors, osteopath, oxygen
- physical examination, physical therapy, podiatrist, pregnancy tests and pregnancy test kit, prescription drugs and medicines, prosthesis, psychiatric care, psychoanalysis, psychologist
- reconstructive surgery
- special education, sterilization, stop-smoking programs and prescription drugs, surgery
- telephone, television, therapy, transplants, transportation**, trips, tuition (under special circumstances)
- vasectomy, vision correction surgery
- weight-loss program*, wheelchair, whirlpool baths (if ordered by a doctor), wig
- x-ray

*You may deduct expenses incurred for a weight loss program if that weight loss was conducted after the diagnosis of a specific illness by your doctor.

**You may deduct transportation expenses that are incurred primarily for medical reasons, e.g. bus fare to and from the hospital, gas consumed on your way to a medical facility. You may also include the cost of meals if they were purchased at a hospital, or similar institution, where you were staying for medical care.

Health Insurance Premiums

Generally, medical care premiums can be included in your calculations of medical expenses. However, there are certain medical insurance premiums that you cannot include when calculating your medical expenses for tax purposes:

- Life insurance policies
- Insurance policies providing payment for loss of earning
- Insurance policies for loss of life, limb, sight, function, etc
- Insurance policies that pay you a guaranteed amount each week for a stated number of weeks if you are hospitalized for sickness or injury
- The part of your car insurance policy that provides medical insurance coverage for all persons injured in or by your car
- Health or long-term care insurance if the premiums were paid with tax-free distributions from a retirement plan made directly to the insurance provider without your intercession and these payments would have otherwise been included in your income.

If you are self-employed, you may be able to deduct 100% of the amount you pay for health insurance for yourself, your spouse, and dependents as an adjustment to income (a non-itemized deduction).

Expenses That Are NOT Qualified Medical Deductions

There are certain medical expenses that are not deductible. These expenses include:

- cosmetic surgery
- dance lessons, diaper service
- electrolysis or hair removal
- flexible spending account dollars, funeral expenses, future medical care
- hair transplant, health club dues, health savings account contributions, household help (except nursing help)
- illegal operations and treatments, insurance premiums
- maternity clothes, medical savings account, medicines and drugs from other countries
- nutritional supplements
- over-the-counter drugs and medicines (unless prescribed by a doctor)
- personal use items
- swimming lessons
- teeth whitening
- veterinary fees

You must subtract all reimbursements that you have received for medical or dental expenses from any source throughout the year from your calculation of total medical expenses.

If the cost of medical equipment or property was deducted from your taxes in a previous year and you sell that property in a later year for a profit you may have to record a capital gain. The taxable gain is the amount of the selling price more than the adjusted basis of the equipment or property.