

What Is a Qualified Medical Expense for IRC 213(d) Reimbursements?

Determining what a “qualified medical expense” often comes down to the intent and medical necessity of the procedure. The primary purpose of the expense must be the prevention or treatment of a physical or mental defect or illness.

That said, the distinction between a necessary medical expense and a cosmetic procedure under IRC Section 213(d) can sometimes be quite nuanced. The IRS has specific guidelines on how it differentiates between the two. For more information, see [IRS publication 502](#) on reimbursable and non-reimbursable expenses under this part of the Code and to the [FAQ page on the IRS website](#).

According to the IRS, a cosmetic procedure is generally one that is directed at improving the patient's appearance and doesn't meaningfully promote the proper function of the body or prevent or treat illness or disease. Therefore, expenses for cosmetic procedures are generally not deductible medical expenses.

Some examples of typically non-deductible cosmetic procedures include:

- Face lifts
- Hair transplants
- Hair removal (electrolysis)
- Teeth whitening
- Liposuction
- Cosmetic dentistry (veneers, etc.)

However, the IRS also notes that cosmetic surgery or procedures may be a qualified medical expense if they are necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.

For example, if a person has reconstructive surgery after a mastectomy due to cancer (a disfiguring disease), those cosmetic procedures can be deductible because they are directly tied to medical care. Similarly, if someone gets a nose job to correct a breathing problem, it might be seen as a necessary, not cosmetic, procedure.

It's crucial to note that the determination often comes down to the intent and medical necessity of the procedure. The primary purpose of the expense must be the prevention or treatment of a physical or mental defect or illness.

Best practice: Employees should get a letter or some form of documentation from a doctor stating the medical necessity of the procedure.

