

Administrators must understand what qualifies as an IRC 213(d) expense. These are the medical care expenses that can be reimbursed under an ICHRA. Section 213(d) defines the term "medical care" for the purposes of the income tax deduction for qualified medical expenses.

Section 213(d) of the Internal Revenue Code provides the definition for "medical care" for purposes of the medical expense deduction. **The term "medical care" means amounts paid:**

1. For the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body,
2. For transportation primarily for and essential to medical care referred to in (1),
3. For qualified long-term care services, or
4. For insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care referred to in (1) and (2) or for any qualified long-term care insurance contract.

In simpler terms, it includes payments for legal medical services provided by physicians, surgeons, dentists, and other medical practitioners. It also includes the costs of equipment, supplies, diagnostic devices, and prescription drugs needed for these purposes.

Medical expenses must have the primary purpose of alleviating or preventing a physical or mental defect or illness. This includes dental and eye care. The IRS has a comprehensive list and related guidance that details what expenses can and cannot be included under this definition. This information is provided in [IRS Publication 502, "Medical and Dental Expenses."](#) Additional help can be found on the [FAQ page on the IRS website](#). Consult a tax professional to ensure compliance and appropriate understanding of these rules.

**Here are some categories of expenses that generally qualify under IRC 213(d):**

- **Dental Treatment:** Payments for prevention and alleviation of dental disease, including teeth cleaning, dental treatment (x-rays, fillings, braces, extractions, dentures), and other related services.
- **Eye Care:** Eye exams, eyeglasses, contact lenses, and related equipment and services.
- **Inpatient Care:** The cost of inpatient care at a hospital or similar institution if the main reason for being there is to receive medical care.
- **Long-term Care Services:** Long-term care services prescribed by a licensed health care practitioner.
- **Medical Equipment and Supplies:** Crutches, bandages, wheelchairs, guide dogs for the blind or deaf, hearing aids, and other similar equipment and services.
- **Medical Insurance Premiums:** Premiums for medical insurance that covers the expenses of medical care, and amounts paid for transportation to get medical care.
- **Medical Services Payments to doctors, dentists, surgeons, chiropractors, psychiatrists, psychologists, and nontraditional medical practitioners.**
- **Prescription Medicines and Drugs:** If prescribed by a doctor, most medicines and drugs, including insulin, qualify.
- **Substance Abuse Treatment:** Cost of participating in a smoking-cessation program and for drugs prescribed to alleviate nicotine withdrawal.
- **Transportation:** Necessary cost of getting to and from the place of medical care, including taxi fares, standard mileage rate for use of own car, and cost of ambulance service.

