

Topic

Deductible Medical Expenses

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For an expense to be eligible for a [medical deduction](#), the amount must be paid for medical care, which is the diagnosis, cure, mitigation, treatment, or prevention of disease, or for treatments affecting any structure or function of the body. In addition, any amounts paid for operations or treatments affecting any portion of the body, including obstetrical expenses and expenses of therapy or X-ray treatments, have the purpose of affecting a structure or function of the body, and are therefore [paid for medical care](#). Some common examples of qualifying medical expenses are payments for medical or dental services, prescribed medicine and drugs, insulin, and transportation needed to get medical care. In addition, a limited amount of [lodging costs](#) that are necessary for medical care may qualify as medical care expenses.

Medical Care

The costs of [equipment, supplies, and diagnostic devices](#) related to medical care are allowed as a medical deduction. Acceptable items include devices used in diagnosing and treating an illness or disease, such as a test kit to monitor the blood sugar level of a diabetic, as well as the related test strip supplies. An individual may also treat amounts paid for bandages or wound dressings as medical expenses so long as they were used for medical purposes.

The costs of [diagnostic services](#)^[1] are also deductible as medical expenses. Thus, the costs of an annual physical exam, a pregnancy test, a full-body scan, an X-ray and other laboratory tests are deductible medical expenses.

Medical care also includes premiums paid for insurance that covers the cost of medical care, amounts paid for long-term care services, and limited amounts of premiums paid for a qualified long-term care insurance contract. Although capital expenditures for home improvements and similar items are generally not deductible, if the purpose of a capital expenditure is for the medical care of an individual or the individual's spouse or dependents, it can be deductible.

Service animals. Medical expenses include the costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. Deductible costs include those for food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.

The following chart provides some common examples of deductible and nondeductible medical expenses.

Examples of Deductible Medical Expenses—Amounts Paid for:	Examples of Nondeductible Medical Expenses—Amounts Paid for:
Acupuncture	Babysitting and child care services
Ambulance service	Cosmetic surgery (unnecessary)
Bandages and medical supplies	Funeral expenses
Birth control pills	Health club dues
Breast pumps and lactation supplies	Health savings accounts
Chiropractor services	Household help
Dental treatment	Illegal operations and treatments
Eye exams, eyeglasses and contact lenses	Maternity clothes
Hearing aids	Medical savings accounts
Home improvements if the main purpose is medical care (restrictions apply)	Prescribed drugs from another country (unless imported legally)
Lab fees	Medicines and drugs, nonprescribed (over-the-counter)
Medical insurance premiums (restrictions apply)	Nutritional supplements for general health, such as vitamins and herbal supplements
Medicines and drugs, prescribed	Toothbrush and toothpaste

Physical exams	Teeth whitening
Psychiatric care	Weight-loss program (for general weight loss)
Stop-smoking program	
Surgery (unnecessary cosmetic surgery not deductible)	
Transportation for medical care	
Vasectomy	
Weight-loss program (for treatment of specific disease diagnosed by doctor)	
Wheelchairs	
X-rays	

Travel and Lodging

[Transportation expenses](#)^[2] primarily for and essential to obtaining medical care may be included as a qualified medical expense. These expenses can include airplane, taxi, train, and bus fares, as well as ambulance services. If a parent or nurse or other care provider must accompany a child or patient who is not able to travel alone, the related transportation expenses are also allowed. Transportation expenses for regular visits to see a [mentally ill dependent](#) can be a qualified medical expense if these visits are recommended by a medical professional as a part of the treatment for the dependent.

Transportation costs of an [organ donor](#)^[3] are a medical expense of the [person that pays such cost](#). For instance, if the organ recipient pays the costs incurred by the perspective organ donor, the medical deduction would be claimed by the recipient. If, however, the costs were paid by the donor (or the potential donor), then such amounts would be included in the donor's medical expenses.

Example

Jamie needs a kidney transplant. Jamie's mother, sister, and brother each pay separate transportation costs to travel to a local hospital for testing to determine if any of them are a potential donor. Each individual may deduct the transportation costs he or she incurred as a medical expense, even if it is determined that only the sister is an actual match for Jamie.

Car expenses. Individuals can base the portion of their car expenses used for the medical deduction on actual expenses or the current mileage rate. Actual expenses include out-of-pocket costs paid for items such as gas and oil. However, depreciation, insurance, general repair, or maintenance expenses are not includible. Instead of actual expenses, an individual can use the standard medical mileage rate of 18 cents per mile from January 1st through June 30th, [2022](#)^[4] and 22 cents per mile from July 1st through December 31st, [2022](#)^[5] and a standard medical mileage rate of 22 cents per mile in [2023](#)^[6]. Parking fees and tolls can be added to the medical expense calculation whether the actual expense or the standard mileage rate method is used.

Example

Gary drove 2,800 miles for medical reasons in 2022, equally divided between the first and second half of the year. He spent \$400 for gas, \$40 for oil, and \$120 for tolls and parking for a total amount of actual expenses of \$560. If he used the standard mileage rate to determine his car expenses, Gary would first multiply 1,400 miles by the January through June 2022 rate of 18 cents per mile for a total of \$252, and 1,400 miles by the July through December 2022 rate of 22 cents per mile for \$308; giving him a total for the year of \$560. He would then add the \$120 for parking and tolls for a total of \$680. Gary should use the standard mileage rate computation for his medical transportation expenses because the resulting amount is higher than his actual car expenses.

Caution

The following transportation costs are not considered medical expenses:

- Commuting mileage for driving to and from work.
- Cost of operating a specially equipped car for reasons other than medical purposes.

- Travel to another city for a medical procedure or other medical care because of personal preference reasons only.

Lodging Costs. Individuals can treat the cost of [lodging while away from home](#)^[7] as a medical expense if the purpose of the lodging is primarily for and essential to medical care. However, for lodging costs to qualify as medical expenses, two conditions must be met:

- The medical care must be provided by a physician in a licensed hospital or care facility, and
- There can be no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount allowed for lodging cannot exceed \$50 per person per night. For example, if a caregiver travels with a patient, lodging costs of up to \$100 per night can be included as a medical expense.

Expenses for a trip or vacation taken merely for a change in environment, improvement of morale, or general improvement of health, is not a qualified medical expense. This is true even if the trip is advised by a medical professional.

The [cost of in-patient hospital care](#)^[8], including the cost of meals, is considered a medical deduction. If the care takes place in an institution other than a hospital, then the condition of the patient, as well as the nature of the services rendered at the institution, affect whether the expenses qualify. If a private institution regularly provides medical care, it is considered a qualified institution, but the following rules apply:

- If an individual is in an institution for the availability of medical care, and meals and lodging are furnished as a necessary incident to the care, then the entire cost, including meals, will be considered in calculating medical expenses.
 - For an institution that provides medical care for a mentally ill individual who is not safe when left alone, the medical costs would include the entire cost of the institutional expense.
 - The cost of attending a special school for a mentally or physically handicapped individual may be included in medical expenses if the principal reason for the person's attendance is to benefit from resources offered to alleviate such handicap. The cost of attendance may also include meals and lodging, if applicable, as well as the cost of ordinary education provided, assuming the education is related to the special services provided by the institution.
- If a person is in a medical institution mainly for convenience rather than for medical care, then only the portion of the expense directly related to any medical care is considered as a necessary medical deduction.
 - An aged person who resides in a nursing home for the family's convenience and not because of medical needs may deduct only the portion of the facility's cost that is directly related to medical care. Bills for furnished meals and lodging are not considered medical expenses.

Planning Tip

It is possible for a person to reside in an institution for personal convenience for a time, and later come to require additional medical attention. Be sure to gather enough information to ascertain the needs and reasons related to the individual's stay at the medical institution each year to accurately determine the qualified medical deduction.

Individuals can include the cost of medical care received in a [rest-home](#)^[9], a home for the aged, or a similar institution as a medical expense. The cost of meals and lodging may also be included, provided that the main reason for residing there is to receive medical care. The portion of the costs exclusively for medical or nursing care are always deductible.

Health Insurance

The cost of [medical insurance](#)^[10], including premiums paid for policies that cover medical care, are allowed as a medical deduction. The policies can provide payment for treatments including:

- Hospitalization,
- Surgical services,
- X-rays,
- Prescription drugs and insulin, and
- Dental care.

If an insurance policy provides payments for something other than medical care, the premiums for the medical care portion of the policy can be included as a medical deduction if that portion of the premium is reasonable. The portion for medical care must be separately stated in the contract.

Medical insurance premiums that were paid with pre-tax income or that were previously included in claiming a credit or other deduction cannot be included in the medical deduction calculation. If insurance premiums are paid by an [employer-sponsored health insurance plan](#), the applicable amount is not an allowable medical deduction unless the premiums are included as taxable compensation on [Form W-2, Wage and Tax Statement](#). Most [employers are required](#)^[11] to disclose the aggregate cost of employer-sponsored coverage through reporting such amounts on the employee's Form W-2.

Example

Eric has medical insurance coverage through his employer as part of his benefits package. The premiums Eric pays are withheld from his wages through payroll deductions as a "before tax" benefit, meaning that Eric's taxable wages are determined after the medical insurance premiums are withheld. Since Eric receives the tax benefit during the year he is not able to include the insurance premiums that he pays as a medical deduction on his tax return.

If an individual is covered under Social Security, or is a government employee who paid Medicare tax, the individual is enrolled in Medicare A. The payroll tax paid for Medicare A is not a medical expense. However, if the individual is neither covered under Social Security nor is a government employee, then the individual has the option to [voluntarily enroll in Medicare A](#)^[12]. The premiums paid in this case are considered a qualified medical expense. Medicare B is a supplemental medical insurance, thus the premiums paid for Medicare B are a medical expense. Medicare D is a voluntary prescription drug insurance program for persons with Medicare A or B. Therefore, premiums paid for Medicare D are a qualified medical expense.

Insurance [premiums paid before the taxpayer reaches age 65](#)^[13] for medical coverage for the taxpayer, the spouse, or dependent after the taxpayer is 65 years old, are qualified medical expenses in the year paid if the premiums are:

- (1) Payable in equal yearly installments or more often, and
- (2) Payable for at least 10 years, or until the taxpayer reaches age 65 (but not for less than five years).

Comment

Proposed regulations would define expenditures for [direct primary care arrangements](#)^[14] as amounts paid for medical insurance or medical care. The proposed regulations also define amounts paid for [health care sharing ministry memberships](#)^[15] as amounts paid for medical insurance. Thus, amounts paid for those arrangements may be deductible medical expenses. The proposed regulations also clarify that amounts paid for certain arrangements and programs, such as health maintenance organizations (HMO) and certain government-sponsored health care programs, are amounts paid for medical insurance.

The rules would apply to tax years ending on or after the date they are adopted as final regulations.

Long-Term Care Insurance. Individuals can include amounts paid for [qualified long-term care services](#)^[16] and premiums paid for qualified long-term care insurance contracts in medical expenses. Qualified long-term care

services are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative services, and maintenance and personal care services that are:

- (1) Provided pursuant to a plan of care prescribed by a licensed health care practitioner, and
- (2) Required by a chronically ill individual.

An individual is chronically ill if, within the previous 12 months, a licensed health care practitioner has certified that the individual meets either of the following descriptions.

- (1) The individual is unable to perform at least two activities of daily living without substantial assistance from another individual for at least 90 days, due to a loss of functional capacity. Daily living activities include eating, toileting, transferring, bathing, dressing, and continence.
- (2) The individual requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

Qualified long-term care insurance^[17] is any insurance contract if all of the following are true:

- (1) The only protection provided is coverage of qualified long-term care services.
- (2) The contract does not pay or reimburse expenses incurred for services or items to the extent that such expenses are reimbursable under title XVIII of the Social Security Act or would be so reimbursable but for the application of a deductible or coinsurance amount.
- (3) Such contract is guaranteed renewable.
- (4) The contract does not provide for a cash surrender value or other money that can be paid, assigned, or pledged as collateral for a loan, or borrowed.
- (5) All refunds of premiums, and all policyholder dividends or similar amounts, under such contract are to be applied as a reduction in future premiums or to increase future benefits.
- (6) Such contract meets the requirements of IRC §7702B(g)^[18].

For tax years beginning in 2023^[19], the limits on long-term care premiums, per each covered person, based on that individual's age at the end of the year, are:

Age at close of tax year	Limit on premiums
40 or less	\$ 480
More than 40 but not more than 50	\$ 890
More than 50 but not more than 60	\$ 1,790
More than 60 but not more than 70	\$ 4,770
More than 70	\$ 5,960

For tax years beginning in 2022^[20], the limits on long-term care premiums, per each covered person, based on that individual's age at the end of the year, are:

Age at close of tax year	Limit on premiums
40 or less	\$ 450
More than 40 but not more than 50	\$ 850
More than 50 but not more than 60	\$ 1,690
More than 60 but not more than 70	\$ 4,510
More than 70	\$ 5,640

For tax years beginning in 2021^[21], the limits on long-term care premiums, per each covered person, based on that individual's age at the end of the year, are:

Age at close of tax year	Limit on premiums
40 or less	\$ 450
More than 40 but not more than 50	\$ 850
More than 50 but not more than 60	\$ 1,690
More than 60 but not more than 70	\$ 4,520

More than 70 \$ 5,640

For tax years beginning in 2020^[22], the limits on long-term care premiums, per each covered person, based on that individual's age at the end of the year, are:

<i>Age at close of tax year</i>	<i>Limit on premiums</i>
40 or less	\$ 430
More than 40 but not more than 50	\$ 810
More than 50 but not more than 60	\$ 1,630
More than 60 but not more than 70	\$ 4,350
More than 70	\$ 5,430

HSAs and Archer MSAs. Any payment or distribution for medical expenses from a [health savings account \(HSA\)](#) cannot be included in medical expenses when determining the medical expense deduction. In addition, amounts contributed to an Archer MSA cannot be included in medical expenses when determining the medical expense deduction. Expenses paid for with a tax-free distribution from an Archer MSA also cannot be included in medical expenses when determining the medical expense deduction.

Other Expenses

The cost of a [weight-loss program](#)^[23] is a medical expense if the treatment is for a specific disease diagnosed by a physician, including obesity, hypertension, or heart disease. The cost is not a medical expense if the weight-loss program is merely for the improvement of appearance, general health, or a general sense of well-being.

Expenses can include fees paid for membership in a weight reduction group, as well as fees for attending periodic meetings. However, membership dues for a gym, health club, or spa are not included. The cost of diet food and beverages are also not medical expenses; these items simply substitute for what is normally consumed to satisfy nutritional needs. There are a few exceptions to this rule, however. The cost of special foods can be included as a medical expense if:

- The food does not satisfy normal nutritional needs,
- The food alleviates or treats an illness, and
- The need for the food is substantiated by a physician.

However, only the portion of the cost of the special diet food that exceeds the cost of a normal diet may be included in medical expenses.

Example

In January Year 1, Dan and his wife Annie made a competitive New Year's Resolution to lose weight after the family doctor told Annie she was obese and Dan that he had heart disease due to being overweight. Dan and Annie decided that the person who lost the most weight by June could choose which luxury resort they would visit later in the year as a reward.

In February Year 2, they present the following expenses to their tax preparer for their joint return:

- Dan spent \$140 a month for a spa membership. \$60 of the monthly dues were to pay for a weight loss program offered under the direction of a certified physician employed by the spa. He paid an additional \$450 a month for special diet foods, including supplements and pre-made drinks to consume prior to working out. Dan met with his regular health care provider, who suggested that Dan take a prescription medication daily to help with his blood pressure. The cost of the medication was \$10 a month.
- Annie joined a weight loss program that cost \$200 a month and required that she attend meetings three times a week. The food she ate for the program could be purchased at the local grocery store. However, she did decide to spend \$25 once a week to purchase some high-protein snacks while attending her program meetings.

- In June, the couple determined that Dan had lost more weight. He chose a romantic get-away to Costa Rica at a resort that was famous for healthy lifestyle activities and menu choices. The total cost of the trip was \$8,000 for both Dan and Annie.

For Year 1, the following costs can be included in the medical deduction calculation:

\$60 × 12 months =	\$720	Dan's weight loss program
\$10 × 12 months =	\$120	Dan's prescription
\$200 × 12 months =	\$2,400	Annie's weight loss program
Qualified expenses	\$3,240	

Although the food that both Dan and Annie purchased was for weight loss purposes, it satisfied the normal nutritional needs and is therefore not allowed as a medical deduction. The \$60 a month included in Dan's spa membership is deductible because it had a medical purpose directly tied to his weight loss needs. Although the trip to Costa Rica was to a health-conscious resort there was no medical purpose and the location did not qualify as a medical institution.

Cessation Programs. The costs of [stop-smoking programs](#)^[24] are includible in medical expenses. However, amounts paid for drugs that do not require a prescription, such as nicotine gum or patches, that are designed to help people stop smoking are not allowed as a medical expense.

The cost of [drug and alcohol treatment programs](#) may be includible in medical expenses. Amounts paid for an inpatient's treatment at a therapeutic center for drug and/or alcohol addiction can be included as a medical expense. Meals and lodging provided by the center during the treatment are also included. Transportation costs to and from Alcoholics Anonymous meetings are deductible if the attendance is pursuant to medical advice that such membership and attendance is necessary for the treatment of a disease involving alcohol and/or drugs.

Education and Service Animals. The cost of attending a [special school](#)^[25] for a mentally or physically disabled individual is considered medical care if the resources of the institution alleviate the disability and are the main reason for the individual's attendance. Usually, the cost of attending such a school also includes the cost of meals and lodging, which would be included as a deductible medical expense.

Expenses related to [special education](#)^[26], such as a child's tutoring by a specially trained teacher, are includible in medical expenses. The fees must be paid for services that are received based on a doctor's recommendation. The teacher must be qualified to work with individuals that have a learning disability due to a mental or physical impairment. Special education services include:

- Teaching Braille to a visually impaired person.
- Teaching lip reading to a hearing disabled person.
- Giving remedial language training to correct a condition caused by a birth defect.

Similarly, the costs to acquire, train and maintain a [service animal](#)^[27] that assists a blind or deaf individual are included as qualified medical expenses.

Home Improvements. An individual's [capital expenditures](#)^[28] may qualify as a medical expense if the primary purpose is for the medical care of the taxpayer, spouse, or qualified dependent. The [cost of permanent improvements](#) that increase the value of a property may be partly included as a medical expense. The deductible portion of the improvement's cost is reduced by the increase in the property's value. The difference is a deductible medical expense.

The costs of the installation, operation, and maintenance of a [swimming pool](#)^[29] can be deductible if the primary purpose of the pool is for the cure or mitigation of a physical defect or disease. If there are [adequate, less expensive, alternative facilities](#)^[30] available, the deduction may be denied. There is not a reasonableness requirement imposed on the amount of any deductible medical expense. But, the deduction may be limited if the taxpayer's expenditures seem unreasonably high, like where a [pool was constructed to be architecturally and aesthetically compatible](#)^[31] with a taxpayer's home.

If the property value is not increased by the improvement, then the entire cost is included as a medical expense. Certain improvements made to a home do not usually increase the value of the home, and the full cost can be included as a medical expense. These improvements include:

- Constructing entrance ramps for the home.
- Widening exterior doorways.
- Widening or modifying hallways and interior doorways.
- Modifying stairways.
- Installing railings, support bars and other modifications to bathrooms.
- Lowering or modifying kitchen cabinets and equipment.
- Moving or modifying electrical outlets and fixtures.
- Installing porch lifts or other such devices (not including an elevator).
- Modifying fire alarms, smoke detectors and other warning systems.
- Adding handrails or grab bars.
- Modifying hardware on doors.
- Grading the ground to provide access to the residence.

Only reasonable costs to modify a home to accommodate a disabled condition are considered medical care. Additional costs for personal reasons, such as altering the look of the exterior of the home, are not medical expenses.

COVID-19 Personal Protective Equipment. Amounts paid for [personal protective equipment \(PPE\)](#)^[32], such as masks, hand sanitizer, and sanitizing wipes, for the primary purpose of preventing the spread of COVID-19 are treated as amounts paid for medical care. The PPE can be used by the taxpayer's spouse or dependents. The amounts are also reimbursable under health FSAs, Archer medical savings accounts, HRAs, or health savings accounts.

Citations

1. REVRUL2007-72
2. §1.213-1(e)(1)(iv)
3. REVRUL73-189
4. NOTICE2022-3
5. ANN2022-13
6. NOTICE2023-3
7. §213(d)(2)
8. §1.213-1(e)(1)(iv)
9. §1.213-1(e)(1)(v)(b)
10. §1.213-1(e)(4)
11. §6051(a)(14)
12. REVRUL66-216
13. §213(d)(7)
14. §1.213-1(e)(1)(v)
15. §1.213-1(e)(4)(i)
16. §7702B(c)
17. §7702B(b)(1)
18. §7702B(g)

19. REVPROC2022-38
20. REVPROC2021-45
21. REVPROC2020-45
22. REVPROC2019-44
23. REVRUL2002-19
24. REVRUL99-28
25. §1.213-1(e)(1)(v)(a)
26. REVRUL78-340
27. REVRUL68-295
28. §1.213-1(e)(1)(iii)
29. REVRUL83-33
30. DEC35849
31. 78-2USTCP9646
32. ANN2021-7