



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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Dear \_\_\_\_\_ :

Thank you for your letter to Commissioner Koskinen requesting IRS guidance explicitly categorizing Diabetes Prevention Program fees as medical expenses that may be reimbursed by health savings accounts (HSAs) and flexible spending arrangements (FSAs).

I assure you we will consider your views as part of our ongoing review of appropriate issues for guidance. In addition, we have forwarded your letter to our colleagues at the Department of the Treasury's Office of Tax Policy for its consideration.

Generally, any expense that qualifies as "medical care" under section 213(d) of the Internal Revenue Code (Code) may be paid by a HSA or FSA. This includes expenses for the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body.

HSAs, however, have an additional limitation; individuals may not purchase insurance using an HSA. See section 223(d)(2)(B) of the Code. Similarly, individuals may not use FSAs to reimburse premium payments for other health coverage. See Treasury Regulation section 1.125-5(k)(4).

I hope this information is helpful. If you have any questions, please call me at  
or at .

Sincerely,

Christine Ellison, Acting Chief  
Health and Welfare Branch  
Office of Associate Chief Counsel  
(Tax Exempt and Government Entities)