Coverage for GLP-1 Medications

Understanding GLP-1 Medications and Your Health FSA

If you've heard about medications like Ozempic, Wegovy, Mounjaro, or Zepbound, you've likely wondered whether you can pay for them with your Flexible Spending Account (FSA). The answer depends on why your doctor prescribes the medication. This article explains how GLP-1 medications work, why coverage rules exist, and what you can do to use your FSA funds with confidence.

What GLP-1 Medications Are

GLP-1 stands for glucagon-like peptide-1. It's a hormone your body makes naturally after you eat. GLP-1 medications mimic this hormone to help regulate blood sugar, slow digestion, and reduce appetite.

Doctors prescribe these medications for several reasons:

- **Type 2 diabetes management** – Medications such as Ozempic and Mounjaro help control blood sugar levels.
- **Chronic weight management** – Medications such as Wegovy and Zepbound are approved for weight loss in people with obesity or certain weight-related conditions.
- **Cardiovascular risk reduction** – Some GLP-1 medications are also approved to lower the risk of heart attack and stroke in certain patients.

The reason your doctor prescribes the medication matters a great deal when it comes to FSA eligibility.

Why the Reason for Treatment Matters

The IRS draws a clear line between treating a medical condition and supporting general wellness. This distinction explains why two people can take the same medication but have different FSA outcomes.

When GLP-1 Medications Are Typically Eligible

A GLP-1 medication generally qualifies for reimbursement when a licensed provider prescribes it to treat a diagnosed medical condition. Common examples include:

- Type 2 diabetes
- Obesity diagnosed by a physician
- Weight-related conditions such as high blood pressure, sleep apnea, or high cholesterol
- Cardiovascular disease risk reduction

The IRS recognizes obesity as a disease. This means a GLP-1 prescribed to treat a diagnosed case of obesity can be an eligible expense, as long as the treatment is medically necessary and not purely cosmetic or for general health.

When GLP-1 Medications May Not Be Eligible

Expenses for weight loss that aren't tied to a diagnosed medical condition typically don't qualify. For example, using a GLP-1 medication for cosmetic reasons or to lose a few pounds without a related diagnosis would not be eligible.

Tips for Using Your FSA With GLP-1 Medications

- **Talk with your doctor early.** Ask whether your diagnosis supports FSA reimbursement and whether you'll need a letter of medical necessity (LMN).
- **Check your plan rules.** Your Plan Sponsor, which is usually your employer, sets the specific rules for your FSA. Review your plan documents or contact your administrator.
- **Keep every receipt.** Save pharmacy receipts, prescription labels, and any letters from your doctor.
- **Submit documentation up front.** Sending a LMN with your first claim can help you avoid delays.
- **Plan your contributions.** GLP-1 medications can cost more than $1,000 per month without insurance. Consider this when you choose your annual FSA election.