



HSA and FSA Accounts for Health and Wellness Coaching (HWC) Services

Dear National Board Certified Health & Wellness Coaches,

We would like to update you about the ability for health & wellness coaching clients to use their HSA or FSA account to pay for the service of health & wellness coaching.

Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) provide the opportunity for your clients to pay for qualified medical expenses that insurance may not cover. These accounts are designed to give individuals tax advantages to offset health care costs, and they often cover many health care related expenses.

We are often asked about utilizing these types of accounts for health and wellness coaching (HWC) services and have received input from our team of healthcare attorneys to ensure that we are giving you the best information we have to date.

Please note that your client will need to consult with their physician prior to using their HSA or FSA account (see the information below which addresses the Letter of Medical Necessity). You can refer to the following FAQ we have created to learn more.

According to the Centers for Disease Control and Prevention (CDC), approximately 6 in 10 adults in the United States have a chronic disease, and 4 in 10 have two or more chronic diseases. Chronic diseases include conditions such as heart disease, stroke, cancer, diabetes, obesity, and arthritis. These conditions are often preventable and manageable through healthy lifestyle choices, and we believe that National Board Certified Health & Wellness Coaches can play a key role in helping individuals prevent and manage chronic diseases by providing personalized guidance and support. We hope this update will help the NBC-HWC Community bring their services to even more clients and continue to build a world where all people thrive.

Thank you.

Leigh-Ann Webster
Executive Director

▶ **What is the difference between an HSA and FSA Account?**

Health Savings Accounts (HSA) are associated with high-deductible health plans and are owned by the individual. They may or may not be administered by an employer. Contributions may roll over for these accounts. They are funded with pre-tax contributions.

Flexible Spending Accounts (FSA) are administered by the employer and contributions do not roll over from one year to the next. They are funded with pre-tax contributions.

▶ **Does Health and Wellness Coaching qualify as a reimbursable expense under these accounts?**

The IRS determines what can be reimbursed by an HSA/FSA. Because health and wellness coaching is an emerging profession it is not yet specified in the IRS code language, however the IRS has issued guidance to the NBHWC that out-of-pocket costs of health and wellness coaching services can be a “qualified medical expense” if the services are provided for the treatment or prevention of a disease.

As such, we believe that if an individual is referred to health and wellness coaching by their physician as a treatment for a specific disease that the individual either already has, or has an imminent probability of developing, then the individual’s out-of-pocket costs for such services may qualify as a deductible medical expense.

Given the current IRS language if a client/patient (taxpayer) is referred to health and wellness coaching by their physician as a treatment for a medical condition/disease, this would be reimbursable as outlined above.

▶ **Whom should my client talk to regarding the use of an HSA/FSA and how do they receive reimbursement?**

If your client is interested in receiving benefits under their HSA/FSA for HWC, they should consult their physician to discuss their medical treatment and care plan. If the physician decides that they have a condition that warrants the support of a health and wellness coach, they may recommend that course of treatment. In this instance, we recommend a Medical Letter of Necessity be provided to the patient/client for record-keeping and claim submission. We have provided you with an example of the Medical Letter of Necessity for you to see what is required.

To receive reimbursement for an HSA/FSA, the patient/client needs to follow the instructions outlined in their plan and contact the plan administrator with questions about submitting claims and receipts.

▶ **What if my client does not have a medical condition that necessitates a treatment plan from their physician, but they want to use their HSA/FSA for health and wellness coaching?**

As the plans are administered right now, the IRS language does not allow for someone to choose this intervention or service on their own and receive reimbursement from their HSA/FSA, however NBHWC believes that health and wellness coaching is an important service that supports individuals in any stage of health so we do encourage your clients/patients to speak with their physician to see if they qualify to receive a signed Letter of Medical Necessity to use their HSA or FSA account.

SAMPLE LETTER OF MEDICAL NECESSITY

The following letter is only intended as a SAMPLE Letter of Medical Necessity that outlines the information a payer/plan may request. Use of this letter does not guarantee coverage for the service. The prescriber (physician) is responsible for the content of this letter and should customize all bracketed information in blue with the appropriate information.

SAMPLE Letter of Medical Necessity

[Physician's Letterhead] [Date]

[City, State, ZIP Code]

RE: Coverage for Health and Wellness Coaching

Patient: [Patient Name]

Date of Birth: [Date]

Diagnosis: [Diagnosis], [ICD-10-CM]

Dear HSA/FSA Plan:

I am writing on behalf of my patient, [Patient Name], to document the medical necessity to treat their [Diagnosis] with [Coach name, a National Board Certified Health and Wellness Coach at (Coach Business LLC Name / NPI: xxxxxxxxx / EIN: xx-xxxxxx/ Health and Wellness Coaching Taxonomy code: 71400000X)].

This letter serves to document my patient's medical history and diagnosis and to summarize my treatment rationale. Please refer to the [List any Enclosures] enclosed with this letter.

Summary of Patient's Medical History and Diagnosis

[Patient Name] is [Age] years old and was initially diagnosed with [Diagnosis] [ICD-10-CM] on [Date]. [Patient Name] has been in my care since [Date].

[Provide a discussion of the patient's clinical history, current symptoms and condition, any potential contraindications, and any relevant laboratory test results, highlighting the factors leading you to recommend use of the service]

Rationale for Treatment

[Include your clinical rationale and reasons for prescribing the service]

In summary, [Service Name] is medically necessary and reasonable to treat [Patient Name's] [Diagnosis], and I ask you to please consider coverage of [Service Name] on [Patient Name's] behalf. Please refer to the enclosed supporting documents for further details, and do not hesitate to call me at [Phone Number] if you have any questions or if you require additional information.

Thank you for your attention to this matter.

Sincerely,

[Provider Signature]

[Prescribing Physician Name and Credentials] [NPI Number]

Enclosures: [List any Enclosures]