

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

FAQs

▶ **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.