



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

OFFICE OF THE CHIEF COUNSEL

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Attention:

Dear _____ :

This letter responds to your request for information dated December 11, 2020. You requested guidance on categorizing costs incurred for health and wellness coaching under health savings accounts (HSAs), flexible spending accounts (FSAs), and other tax-preferred accounts when a physician or other qualified medical professional diagnoses a patient with specific disease or chronic health risk and recommends the patient work with a health and wellness coach for alleviation or prevent of such disease or chronic health risk. After an initial wellness planning visit, the health and wellness coach offers their services to the patient by: (1) counseling on a specific disease, such as obesity or diabetes, or chronic health risk via individual or group visits, (2) supports the patient in chronic care management through individual or group visits; or (3) the physician and the coach as a team deliver preventive medical counseling through individual or group visits. Although we cannot answer your specific question regarding health and wellness coaching, we can provide you with general information regarding the application of section 213 of the Internal Revenue Code.

Section 213(a) allows taxpayers to deduct expenses paid for medical care of the taxpayer¹ to the extent the expenses exceed 7.5 percent of the taxpayer's adjusted gross income. As relevant here, section 213(d)(1)(A) defines medical care as amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting a structure or function of the body.

¹ Section 213 allows deductions for the taxpayer's spouse or dependent as well. Any reference to expenses of the "taxpayer" herein also includes expenses of the taxpayer's spouse and the taxpayer's dependent.

Under Treasury Regulation section 1.213-1(e)(1)(ii), deductions under section 213 are limited to expenses paid primarily for the prevention or alleviation of a physical or mental defect or illness. An expense qualifies as medical care preventing disease only if there is a present existence or an imminent probability of developing a disease, physical defect, mental defect, or illness. See Daniels v. Commissioner, 41 T.C. 324, 328 (1963); Stringham v. Commissioner, 12 T.C. 580, 584 (1949).

In addition, section 262 and Treasury Regulation section 1.213-1(e)(1)(vi) prohibit taxpayers from deducting personal, family, or living expenses as medical care if the expenses do not fall within the section 213 definition. An expenditure that is merely beneficial to the general health of an individual is personal and is not for medical care under Treasury Regulation section 1.213-1(e)(1)(ii).

Services that have no purpose other than to treat a specific disease, illness, or mental defect may qualify as a deductible medical expense. See, e.g., Rev. Rul. 2002-19, 2002-1 C.B. 778 (holding that the cost of a weight loss program is a deductible medical expense if the program is used to treat a specific disease or ailment); cf. Rev. Rul. 79-151, 1979-1 C.B. 116 (holding that the cost of a weight loss program is not a deductible medical expense if the program is used for improving general health unrelated to a specific disease or ailment).

Taxpayers should use objective factors to determine whether an expense that is typically personal in nature was incurred by the taxpayer for medical care. Such factors may include:

- The taxpayer's motive or purpose for making the expenditure
- A physician's diagnosis of a medical condition and recommendation of the item as treatment or mitigation
- The relationship between the treatment and the illness
- The treatment's effectiveness
- The proximity in time to the onset or recurrence of a disease.

See, e.g., Havey v. Commissioner, 12 T.C. 409, 412 (1949).

Some things to consider to determine whether the costs of health and wellness coaching are deductible as medical expenses are: whether the costs are incurred for diagnosing, treating, mitigating, preventing or alleviation of the taxpayer's disease; whether the costs are merely beneficial to the taxpayer's general health such that they might be considered the taxpayer's personal expense; and whether the taxpayer would not have incurred the expense but for the taxpayer's medical condition.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2020-1, §2.04, 2020-1 IRB 1 (Jan. 2, 2020). If you have any additional questions, please contact our office at .

Sincerely,

Brinton T. Warren
Branch Chief, Branch 3
(Income Tax & Accounting)