Leader Survey Results on Reimbursement Information

Leaders were asked if they, as the LIFESTEPS leader or program coordinator, submit for third-party reimbursement.

- 96.6% state they do NOT submit for reimbursement.
- Of those who do submit, 50% said they received reimbursement and 100% of those who do submit said they don’t get reimbursed the total amount.

Leaders were also asked if they provide their participants with information the participants can use to submit themselves for reimbursement.

- 31% responded that they do.

Items given to participants to use when submitting for reimbursement include:

- Payment receipts sometimes including a program brochure
- Monthly bill statements
- A letter describing the program to give to the insurance provider
- Verbal encouragement that the participant check his/her insurance provider to see if LIFESTEPS is a reimbursable item.

When asked if leaders inform participants about listing the LIFESTEPS fees under medical expenses on their income tax return, only 34.5% responded that they provide this information. When asked to identify insurance providers that have reimbursed for the LIFESTEPS program either to the leader or directly to the participant no specific providers were identified. One leader did state that the wellness program component of the health benefits package for state employees in her state did reimburse.

Based on the responses given in the survey, the LIFESTEPS Management Team has done further investigation in two areas that may be of benefit to both LIFESTEPS leaders and participants.

Reimbursement Information

The following section provides you with background information to share with your participants on the inclusion of LIFESTEPS program fees as a medical deduction when filing income tax. It also includes information on third party reimbursement issues that you may find useful. The Weight Management DPG of the American Dietetic Association also provides information on this topic for their members. Go to their website at www.wmdpg.org. Scroll down the page to Career Builders and click on Reimbursement/Coverage for a downloadable pdf file. This document includes a link to use to forward questions on reimbursement to the DPG. They will research the issue and post the answer on their website.
As a LIFESTEPS leader, you may want to develop a form letter to give to participants or for your own use in obtaining reimbursement. Providing this information is an additional participant benefit. This letter should include:

- General information on the LIFESTEPS program
- Program fee information
- Credentials and pertinent information on you and the facility presenting the LIFESTEPS program.

The paragraph below should be used for the program information portion of this letter.

*LIFESTEPS® is a behavioral-cognitive weight management program for adults. This 16-week program is designed to be taught in a small group setting and addresses lifestyle change through the development of new eating and physical activity behaviors. The program, developed by registered dietitians and curriculum specialists, has been reviewed by behavioral scientists, other nutrition professionals and exercise physiologists. The program is taught only by health professionals, primarily registered dietitians, who have successfully completed a leader training course. The LIFESTEPS Leader Training Course provides 1 college credit or 15 CPE’s through the American Dietetic Association. LIFESTEPS is an approved CPE provider through the Commission on Dietetic Registration (CDR). For additional information on the program, individual program session topics, and program outcomes go to www.lifestepsweight.com.

IRS – Medical and Dental Expenses

Complete information on medical expenses relative to the income tax process is contained in the IRS Publication #502. This document can be downloaded in its entirety by going to www.irs.gov and clicking on publications or entering medical and dental expenses in the search box. You should check this document periodically as information can change. The key items from this publication relative to participation in LIFESTEPS are: what are medical expenses; what expenses can you include; what expenses can’t be included; and how much of the expenses can you deduct.

*What are medical expenses?* Medical expenses are the costs of diagnosis, cure, mitigation, treatment or prevention of disease, and the costs for treatments affecting any part or function of the body. They include the costs of equipment, supplies, and diagnostic devices. They also include dental expenses. [Pub. 502 {2007}, page 2]

*What expenses can you include?* Read this section carefully since there are items included the average citizen may not have considered. The following is stated for Weight Loss Programs. “You can include in medical expenses amounts you pay to lose weight if it is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). This includes fees you pay for membership in a weight reduction group and attendance at periodic meetings. You cannot include membership dues in a gym, health club, or spa as medical expenses, but you can include separate fees charged there for weight loss activities.
You cannot include the cost of diet food or beverages in medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs. You can include the cost of special food in medical expenses only if:
1. The food does not satisfy normal nutrition needs.
2. The food alleviates or treats an illness, and
3. The need for the food is substantiated by a physician.

The amount you can include in medical expenses is limited to the amount by which the cost of the special food exceeds the cost of a normal diet.” [Pub. 502 {2007}, page 14]

What expenses are not includible? “You cannot include in medical expenses the cost of a weight-loss program if the purpose of the weight loss is the improvement of appearance, general health, or sense of well-being. You cannot include amounts you pay to lose weight unless the weight loss is a treatment of a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease)…….” [Pub. 502 {2007}. Page 16]

How much of the expenses can you deduct? “You can deduct only the amount of your medical and dental expenses that is more than 7.5% of your adjusted gross income (Form 1040, line 38). This phrase means that you must subtract 7.5% (.075) of your adjusted gross income from your medical expenses to figure your medical expense deduction.” [Pub. 502{2007}, page 3]

Third-Party Reimbursement

Depending on your location, you may have a significant number of participants who have health benefits through the same employer. Your participants may have a variety of employers, but many of those employers may use the same insurance provider for their employee health benefits packages. If either of these situations apply to you, you may want to conduct some research. Many employee benefit programs now include a wellness component where employees have a set dollar amount each year they can spend on wellness/preventive activities. It may be possible for you to get your LIFESTEPS program approved as a qualified wellness/preventive activity thus allowing your participants to receive reimbursement. Informal conversation with one LIFESTEPS Leader indicates that her program has been approved by the insurance program for state employees as an approved wellness activity. State employees entering LIFESTEPS don’t pay a fee. The state insurance program is billed directly by the facility for their fees and the facility is reimbursed.

Another program you should investigate and have your participants investigate is a Health Savings Account (HSA). HSAs are relatively new and are not available to everyone, but are being offered by an increasing number of employers. HSAs have specific guidelines on eligibility, contribution limits and coverage. They are designed to be used in conjunction with traditional health insurance policies as long as the policies are “high deductible” policies. High Deductible Health Plans (HDHPs) vary greatly in what they cover. The trade group America’s Health Insurance Plans says 99% of
employer-sponsored HSAs cover preventative care before any deductible is met. For detailed information on HSAs go to www.healthsavingsinfo.com. LIFESTEPS participants should see if an HSA is available to them, do they qualify, and if their HSAs cover wellness/preventive items. If there is potential for LIFESTEPS fees to be a coverable expense, the participant will need to submit documentation on the program.

Both of the above options provide opportunities for you and your program participants. As health care costs continue to climb and the economy becomes tighter, a little extra work on your part to research the above options may provide a big payoff for your LIFESTEPS program through increased participation.