



The Future of Health

Making Health Intervention a
Cornerstone of Modern Benefits

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01. Executive Summary

"The Future of Health" presents a compelling vision for transforming employee benefits by integrating health and lifestyle interventions with HSAs/FSAs to unlock proactive, root-cause health interventions. This ebook asserts that the traditional, reactive model of care is no longer sufficient in the face of escalating chronic disease rates, rising healthcare costs, and shifting workforce expectations.

Truemed's solution streamlines the complex process of acquiring Letters of Medical Necessity (LMNs), allowing qualified individuals to use pre-tax dollars for preventive health purchases such as fitness, nutrition, and stress management tools.

A featured case study from The Krazy Coupon Lady illustrates measurable success, including an impressive 36% increase in FSA participation, a 27% increase in average election per employee, and improved employee engagement.

The document ends with a clear implementation roadmap that guides employers from assessment to adaptation, empowering HR leaders to modernize their benefits offering and improve long-term outcomes—for both individuals and organizations.



Justin Mares
CEO Of Truemed

Our vision is to empower people to take control of their health with interventions that go beyond symptom management, focusing on addressing the root causes of chronic conditions.

At Truemed, we are making proactive care more accessible by unlocking the power of FSAs/HSAs.



Truemed has partnered with over 3,000 consumer health brands and processed over 500,000 HSA/FSA payments for root-cause healthcare expenses. By streamlining medical qualification and compliance, Truemed enables individuals to invest in medically necessary products and services using pre-tax dollars.

02. A New Era in Employee Health

Employee health benefits have evolved over the last several decades. There was a time when deductibles were low or non-existent and cost-sharing to employees was minimal. Employers shouldered the primary cost of health care. While these 'rich' benefits were highly valued by employees, they often contributed to over-utilization of the healthcare system and a lack of engagement by employees in their health.

Decades of Rising Costs

From 2000-2025, the cost of medical care consistently out-paced overall inflation rates in the U.S. According to U.S. Labor Statistics, a \$1,000 medical expense in 2000, is now projected to cost \$2,200 in 2025².

Over time, employers were challenged by the ever-increasing costs of footing the bill for healthcare and have slowly shifted payment responsibility to employees. From 2006 to 2024, the average deductible for single coverage increased 206% from \$584 to \$1,787 with 87% subject to a deductible in 2024 (compared to just 55% in 2006)³. Average cost of a primary care visit now averages \$171⁴. Long gone are the days of a \$5-\$10 co-pay.

The Reality of the Problem Comes to Light

Employees are starting to wake up and realize they need to take a more active role in managing their health and healthcare costs. With 9 in 10 people in United States estimated to be affected or have risk factors for 1 or more chronic conditions¹, it is no secret that there is a healthcare epidemic in progress.

Fundamentally, the health care system is wired towards reactive care with 96 cents of every dollar going to treat illness or symptoms rather than prevention⁵.

A Generational Awakening

While many people will turn towards traditional healthcare when chronic conditions become severe or they experience negative side-effects, there is a growing demand for holistic, proactive, and personalized health solutions.

Younger generations are demanding it – prioritizing mental health, stress and physical health while integrating technology to understand and manage health.

Older generations recognize value of physical activity and healthy behaviors for longevity and quality of life.

The Pandemic Created Sense of Urgency

COVID-19 served as a catalyst and pivotal event for many people. The effects of stress and mental health became very real. It was no longer an invisible disease but debilitating and intertwined with overall health and well-being.

Holistic health can no longer be ignored.

More than 9 out of 10¹



estimated affected by 1 or more conditions

- 73.6% overweight; 40.3% obese
- 41.1% respiratory conditions
- 29.6% hypertension
- 26.9% chronic joint symptoms
- 14.5% chronic sleep issues
- 12.8% high total cholesterol
- 10.8% heart disease

03. The Healthspan Imperative: Why Employers must act now

It might be easy to dismiss chronic lifestyle-related conditions as an individual employee problem, but it has real implications for employers as well.

Workforce dynamics – A widespread (and costly) problem

Chronic conditions are widespread. Seven in ten deaths in U.S. attributed to chronic disease. Care for chronic and mental health accounts for 90% of U.S. \$4.5T in annual health care spending⁶.

Affects on absenteeism and lost productivity

Chronic conditions can reduce an employees ability to work and earn income—resulting in lower productivity. Wages are estimated 18% lower on average for those with chronic conditions. CDC projects absenteeism associated with 5 chronic conditions costs US employers nearly \$50B annually (adjusted for inflation from 2015 to 2025)⁷.

Positive return on investment of proactive health and lifestyle interventions

Programs focusing on lifestyle interventions and early care have shown 18–30% cost reductions in targeted populations, with return multiples ranging from 2:1 to 6:1 over 2–5 years⁸.

By the Numbers...

\$4T⁺⁶

Annual Spend on
Chronic and
Mental Health
Care in US

\$50B⁺⁷

Estimated employer
loss annually due to
absenteeism related
to chronic conditions

18-30%⁸

cost reductions in
targeted populations
due to programs
that focused on
lifestyle
interventions

04. Understanding Health and Root-cause Interventions

There is often a misunderstanding of what health and root-cause interventions may entail. Interventions are based on the core principle of proactive health, often before illness or symptoms become severe. Interventions are based on six pillars – nutrition, exercise, sleep, stress management, substance avoidance and social connection⁹.

- **Nutrition:** Whole-foods, rich in fiber, nutrients and antioxidants are important component to prevent and treat chronic disease.
- **Exercise:** Regular and consistent physical activity combats negative effects and conditions resulting from sedentary behaviors
- **Stress management:** Stress management can lead to improved health and productivity. When left unchecked, stress can lead to anxiety, depression, obesity, immune dysfunction and more.
- **Substance Avoidance:** Use of tobacco and excessive alcohol increase risk of chronic diseases and death.
- **Sleep:** Restorative sleep can aid in mood, hunger, digestion, insulin performance.
- **Social Connection:** Positive social connections and relationships affect physical, mental and emotional health.

Health and Lifestyle interventions focus on actions to prevent, manage or treat health conditions through changes to daily habits and behaviors-- such as: exercise & movement, nutrition & supplement, and mental health & recovery tools.

Health Interventions can:

- Reduce reliance on medications
- Mitigate root-cause for chronic conditions
- Be used along-side traditional healthcare



Health Interventions Complement Conventional Care

Health Interventions enhance conventional care by addressing the root causes of chronic conditions through evidence-based interventions.

While traditional medical treatments focus on managing symptoms and acute issues, health interventions emphasize preventive measures such as nutrition, physical activity, stress management, and social connections to improve overall health.

By integrating both approaches, patients can achieve better outcomes, reducing dependence on medications while still benefiting from essential clinical care.

This synergy empowers individuals to take an active role in their health while ensuring they receive the necessary medical support for complex conditions.

85%

of surveyed users said the product or service they purchased had a major or meaningful impact on the condition they were trying to improve –

*Truemed Post Purchase Survey*¹⁰

Impacts from Customers¹⁰

"I use the hooga red light therapy panel 3-4 times per week. This truly has helped my thyroid levels come back down into a more normal range. There is still progress to be made, but I am pleased with my results using the therapy protocol." ~ Janalee

"Being able to use my HSA to purchase Empirica supplements has helped improve my Hashimotos symptoms and made the purchase cost effective as a single mom." ~ Kate

"Amazfit has helped me get in tune with my heart rate and improve my high blood pressure. It gives me warnings if my heart rate goes too high. It gives me reminders to stand up and move around when I'm working." ~ Thomas

"I have been diagnosed with plantar fasciitis for a very long time and have had pain and discomfort for many years. My Orthofeet shoes feel like I am walking on pillows or air. I have virtually no pain and have increased my walking to every other day. Having this covered by my FSA/HSA made it very possible to afford a shoe that can contribute to me having pain-free activities on my feet! ~ Brian



05. Unlocking Access: Using HSAs and FSAs to Fund Preventive Care

When you initially think of eligible medical expenses, you might naturally think of prescription drugs, doctor's visits, hospital expenses or even bandages. While these are in fact eligible expenses, the IRS defines eligible medical expenses regarding what qualifies for reimbursement under tax-advantaged accounts like Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs). The **IRS states that expenses must be to diagnose, treat, prevent and mitigate a specific disease.**

By default, health interventions and fitness equipment are not automatically eligible for reimbursement from an HSA or FSA and must meet specific criteria in order to qualify.

The IRS considers these expenses as general health expenses rather than medical care. However, if a licensed practitioner, prescribes certain activities, expenses or services through a Letter of Medical Necessity (LMN), expenses may be eligible for reimbursement.

The LMN must outline:

- The expense type or recommended treatment.
- The individual the letter applies to.
- A diagnosis or condition the expense is being prescribed for.
- Medical rationale on how the recommendation supports the treatment, prevention or mitigation of the condition

A Letter of Medical Necessity (LMN) is a written statement from a licensed healthcare provider that explains why a specific product or service is medically required to diagnose, treat, prevent, or mitigate a particular health condition for an individual.

What are eligible medical expenses?



Primary Definition **Eligible Medical Expenses**

The IRS defines **eligible medical expenses** as costs primarily intended to diagnose, treat, or prevent a physical or mental illness.

Common Expenses Include:

- Medical Services
- Prescription medication
- Medical equipment
- Preventive care
- Dental & vision care



Extended Definition **Potentially Eligible Expenses**

Non-traditional or dual purpose items may qualify if prescribed through a **Letter of Medical Necessity (LMN)** for the prevention or treatment of a specific condition for an eligible individual.

Potentially Eligible Expenses Include:

- Fitness memberships and equipment
- Supplements
- Health tracking tools / apps

The Role Benefits Tech Platforms Play in Making it Seamless



Traditionally, getting a Letter of Medical Necessity (LMN) is time-consuming and inefficient, often requiring a short, rushed doctor visit that prioritizes urgent issues over preventive care.

Truemed simplifies the process, making it easy for qualified individuals to access LMNs and use tax-advantaged funds for proactive health interventions.

How Truemed Works

1 Complete Health Assessment

Individuals complete health survey regarding medical history.

2 Licensed Provider Reviews

A licensed provider reviews responses to determine eligibility. If eligible, an LMN is provided within 1-2 days.

3 Purchase made + use FSA/HSA funds

1. **Default (no integration required)** - Individuals directed to pay with alternative payment and submit to FSA/HSA for reimbursement with provided LMN.
2. **Claims Integration** - A claim with LMN support is submitted on behalf of the individual to administrator.
3. **Auto-substantiation** - Individual directed to use FSA/HSA card for direct payment and auto-substantiation feed sent to administrator.

Administrators can Reduce Friction

Submitting LMNs can be frustrating for both individuals and administrators due to inconsistent processes and manual paperwork. But it doesn't have to be.

To reduce friction:

- **Educate proactively** during open enrollment and year-round so employees know what qualifies.
- **Communicate clearly with consistent messaging** around process and expectations.
- **Remove manual steps by integrating with Truemed.** LMNs and documentation are delivered electronically, reducing administrative burden and streamlining claims processing.

Align on Compliance

- ✓ Fitness expenses and other health interventions are not automatically eligible for FSA/HSA reimbursement.
- ✓ An LMN is required to create a connection with a qualified individual, specific condition and evidence-based health intervention.
- ✓ HSA users must keep their own documentation, including the LMN.
- ✓ Employers and administrators should align on eligible expenses and documentation to ensure consistent application across all employees.

06. Case Study

How the Krazy Coupon Lady Increased Participation 36%

About The Krazy Coupon Lady

The Krazy Coupon Lady (KCL) is a female-founded media company which empowers millions of consumers to make smart, value-driven purchases every day and that extends to its employees as well. KCL is committed to uncovering savings opportunities.



The Problem

Health and Lifestyle Interventions can feel inaccessible and require a Letter of Medical Necessity (LMN) to be eligible for reimbursement from FSA/HSA. Processes to obtain an LMN tend to be complicated, slow, misunderstood and potentially costly – discouraging most people from using it.



The Solution

KCL partnered with Truemed to eliminate the friction in the LMN process and open new doors for FSA/HSA use. As employee health and wellness expectations evolve, benefits must evolve too. Truemed represents a paradigm shift—enabling employees to take charge of their health without forfeiting tax advantages.

How KCL restructured benefits to support lifestyle and traditional care

Most employees are aware of the tax advantages of Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs), but few leverage them to their full potential. At The Krazy Coupon Lady (KCL), they uncovered a surprisingly effective and simple tool that increased FSA participation: Truemed.

By simplifying the process of obtaining Letters of Medical Necessity (LMNs), Truemed empowered employees to use their tax-advantaged accounts for a broader range of health expenses—leading to increased engagement and overall satisfaction.

To maximize success with Truemed:



Help Employees Plan:

Clarify what types of expenses are eligible before annual elections.



Share Templates:

Provide LMN templates for those using personal healthcare providers.



Set Expectations:

Not every product, service or person qualifies—be transparent.

Why it Works - For Everyone

For Employees

- ✓ **Expanded Use:** Employees now see FSAs/HSAs as tools to support personal health goals.
- ✓ **Lower Costs:** Approved expenses are reimbursed with pre-tax funds
- ✓ **Simplicity & Autonomy:** Employees feel confident making health purchases.

For Employers

- ✓ **Better Health Outcomes:** Proactive health investments reduce claims, absenteeism, and improve morale.
- ✓ **Tax Savings:** Average annual payroll tax savings of \$120 per participating employee.
- ✓ **Support employee well-being** with meaningful, modern tools

The Results

By reducing friction and expanding usability, KCL realized:

- ⊕ **FSA participation increased 36%**
- ⊕ **Average employee contributions rose 27%**
- ⊕ **Increased estimated tax savings**

For Employees = \$334 (up \$100 per employee)

For Employers = \$120 per employee (up \$25)

These results demonstrate the power of reducing friction and expanding benefit usability.



Jessica Adams

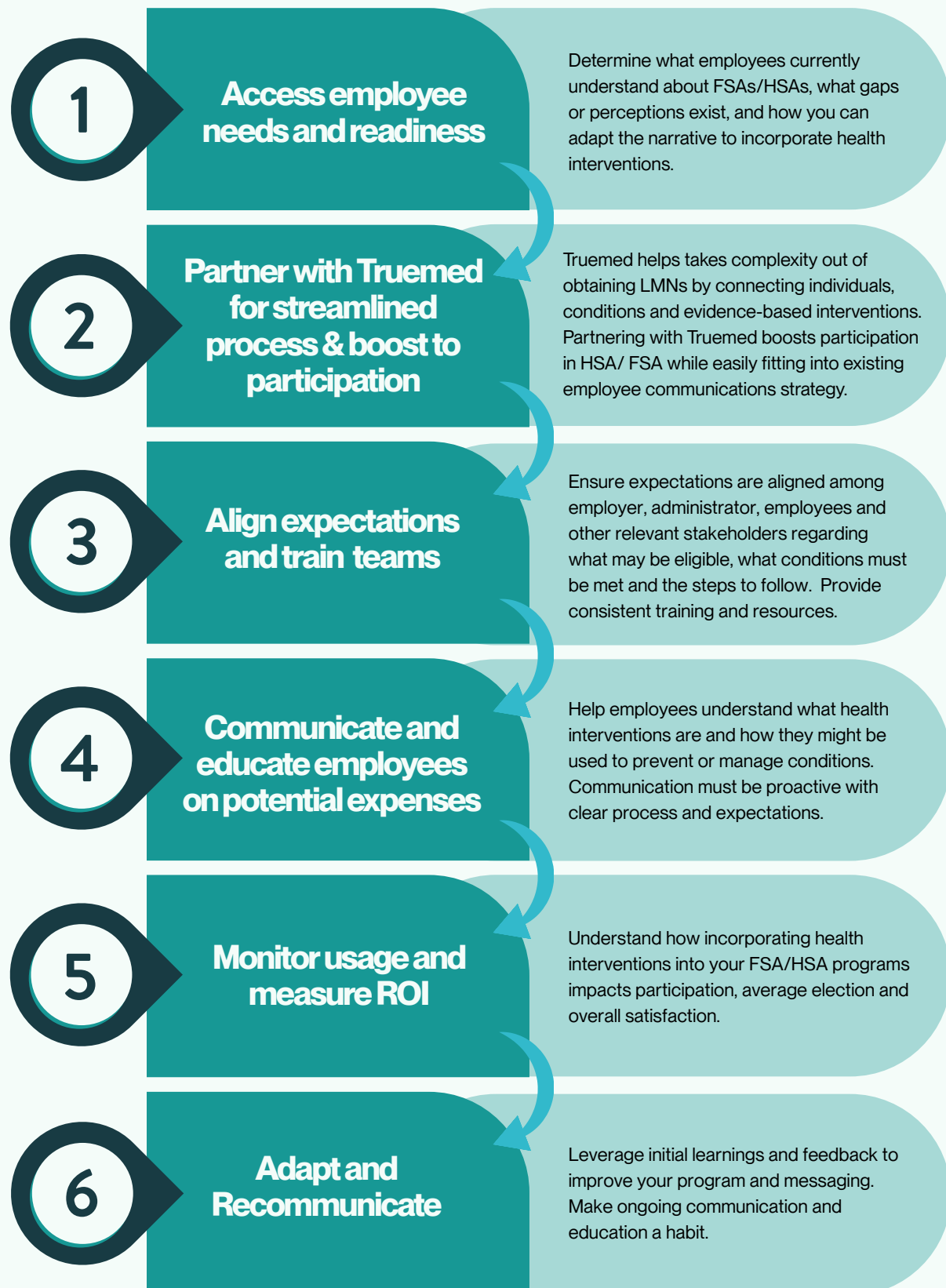
Chief People & Culture Officer, KCL



At The Krazy Coupon Lady, we view this partnership as a critical element of our broader mission to support employees holistic health with meaningful, modern tools.

By unlocking access to more meaningful uses of pre-tax dollars, we've seen greater engagement and measurable financial savings.

07. Implementation Roadmap



08. Next Steps:

Are you ready to take benefits to the next level?

Truemed is leading the shift toward a smarter, more proactive approach to health benefits—one that empowers individuals to prevent and manage conditions before they escalate.

By bridging the gap between evidence-based interventions and tax-advantaged spending, Truemed helps employers unlock the full potential of FSAs and HSAs.

What was once a complicated, manual process is now seamless, scalable, and fully compliant.

Whether you're looking to expand benefit access, drive engagement, or reduce long-term healthcare costs, Truemed provides the tools to make it happen.

Employees deserve better health options—and you deserve a benefits strategy that keeps up.

Let's Connect!

Visit truemed.com or email Tom Dahl at tom@truemed.com to explore how Truemed can help you bring health and lifestyle interventions into your FSA/HSA program with confidence and ease.



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To discuss partnership opportunities with Truemed, contact:



Tom Dahl

Head of Enterprise Partnerships

tom@truemed.com

www.truemed.com