



Important FSA Changes for 2011

HEALTH CARE REFORM BILL PASSES

After months of debating and negotiating, the House approved the original Senate health care reform bill, HR 3590, and the reconciliation bill, HR 4872, on late Sunday, March 21, 2010. The President then signed the Senate health care reform bill on Tuesday, March 23. A slightly amended reconciliation bill was passed by Congress and sent to the President for his signature on Thursday, March 25.

The comprehensive health care reform legislation passed by Congress will impact Health Care Spending Accounts beginning in January of 2011.

OVER-THE-COUNTER MEDICATIONS

Over-the-counter (OTC) drugs and medicines will no longer be eligible without a directive from a provider. This eliminates the ability to use your Health payment card to purchase these items. The customer or participant may still be able to purchase the item using their Health Care FSA. However, in order to be reimbursed for OTC items, the following must be completed:

- Obtain a letter of medical necessity from the provider
- Obtain receipts
- Complete the reimbursement request form and submit all items above to the carrier

This has significant implications for you as a participant in one of these programs.

- OTC medicines, drugs and biological treatments make up about 35% of the current approved list. Effective January 1, 2011, the ineligible items will be deleted from the eligible products list.
- Note that not all items on the eligible products list will be affected. Only those items that represent drugs and medicines are expected to be precluded from tax-free reimbursement.

ITEMS AFFECTED

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|-----------------------------|----------------------------------|--------------------------|
| • Acid Controllers | • Baby Rash Ointments/Creams | • Laxatives |
| • Allergy & Sinus | • Cold Sore Remedies | • Motion Sickness |
| • Antibiotic Products | • Cough, Cold & Flu | • Pain Relief |
| • Anti-Diarrheals | • Digestive Aids | • Respiratory Treatments |
| • Anti-Gas | • Feminine Anti-Fungal/Anti-Itch | • Sleep Aids & Sedatives |
| • Anti-Itch & Insect Bite | • Hemorrhoidal Preps | • Stomach Remedies |
| • Anti-Parasitic Treatments | | |