Important Change to the Health Care Flexible Spending Account Benefits Effective January 1, 2011

The recently-signed Health Care overhaul legislation contains a few important provisions that affect your Health Care Flexible Spending Account (FSA) starting on January 1, 2011. Because you need to make your elections now and the changes take effect in the middle of your FSA plan year, you need to be aware of the changes and their implications. They might impact both how you budget for your Health Care FSA this plan year and how you use your TRI-AD FlexCard* after the New Year.

For 2011, Only “Prescribed” Medicines Are Covered

Effective January 1, 2011, the new law will allow FSAs to reimburse only for prescribed medicines or drugs, regardless of whether the drug is available over the counter or not. Insulin will also continue to be eligible for reimbursement. This means that you can only claim over-the-counter (OTC) drugs or medicines as reimbursable expenses if you have a prescription.

Many non-medicine/non-drug items will continue to be eligible. See the list to the right of items that, based on the guidance available today, are most likely to be restricted.

How to Obtain Reimbursement in the New Year

In 2011, all FSA debit cards, including the TRI-AD FlexCard, can no longer be used to purchase OTC drugs or medicines. If you have such an expense and have a prescription for it, you will need to purchase the item with a payment method other than the FlexCard and submit the receipt and a copy of the prescription to TRI-AD. If the documentation complies with the regulations, you will then be reimbursed.

The FlexCard Can Still Be Used for Many Other OTC Expenses

Based on preliminary analysis, about 65% of the items on the OTC list will continue to be eligible in 2011 without a prescription and therefore can be purchased with the TRI-AD FlexCard. This includes the vast array of non-medicine/non-drug OTC items such as bandages, wound coverings, blood sugar test kits and test strips, insulin, contact lens solution and more. The eligible OTC listing will be updated based on the new rules and guidance as it unfolds, will be provided to stores/pharmacies so they can update their systems before January 1, 2011.

Stay Up-to-Date!

As the regulations are issued and we receive more information, we will post alerts on our FSA Participant Toolkit at www.tri-ad.com/fsa. The Department of Labor Web site also has information and updates at http://www.dol.gov/ebsa/healthreform/

OTC Medicines/Drugs Will Need a Prescription to be Eligible for the Health Care FSA 1/1/2011 or Later*

Digestive Health Remedies:
- Acid Controllers
- Anti-Gas
- Laxatives
- Anti-Diarrheals
- Hemorrhoidal Preps

Respiratory Health Remedies:
- Allergy & Sinus
- Cough, Cold & Flu
- Nasal sprays

First Aid Remedies:
- Antibiotic Creams/ Ointments
- Anti-Itch & Insect Bite
- Pain Relievers (e.g., Aspirin, Ibuprofen, Naproxen, Acetaminophen, etc.)
- Sunburn Treatment
- Poison Oak/Poison Ivy Cream/Soap

Other Health Remedies:
- Anti-Fungal/Anti-Itch
- Motion Sickness
- Antiparasitic Treatments
- Baby Rash
- Cold Sore Remedies
- Sleep Aids & Sedatives

* List is a sample based on current guidance and may change as further regulatory guidance is received.