



## Health Care Reform: Changes to Qualified Medical Expenses for Health Spending Accounts

The health care reform legislation brings changes to what is considered a qualified medical expense for reimbursement purposes from FSAs, HSAs, HRAs and Archer MSAs starting on Jan. 1, 2011.

For the purposes of reimbursements from account-based health plans including health flexible spending arrangements (FSAs) or health reimbursement arrangements (HRAs), as well as distributions from health savings accounts (HSAs) or Archer medical savings accounts (Archer MSAs), qualified medical expenses will refer only to medication or a drug prescribed by a physician starting on Jan. 1, 2011, with the exception of insulin and diabetic supplies.

Insulin and diabetic supplies will not require a prescription to be considered a qualified medical expense. If a

medication or drug is available over-the-counter (without a prescription), but it is prescribed by a physician, it will be considered a qualified medical expense.

### **Items that do NOT require a prescription**

Examples include, but are not limited to: insulin and diabetic supplies, adhesive bandages, first aid supplies, braces and supports, contact lens supplies and solution, reading glasses, wheelchairs, walkers, canes and denture adhesives.

### **Items that DO require a prescription**

Examples include, but are not limited to: acid controllers, allergy and sinus, antibiotics, anti-itch and insect bite, baby rash ointments/creams, cold sore remedies, cough, cold and flu medications, pain relief and sleep aids.

### **Changing how you use your health spending account**

When purchasing over-the-counter medications with a prescription from your doctor,

how you use your health spending account will depend on what type you have.

**FSAs:** You need to submit your prescription from your doctor and your store receipt with the reimbursement request form.

**HRAs:** If your HRA allows over-the-counter expenses, submit your prescription from your doctor and your store receipt with the reimbursement request form.

**HSAs or Archer MSAs:** Keep a copy of your prescription and your store receipt for proof that you used your HSA for an eligible expense should the IRS audit your income tax return.

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