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Planning Alert *January 2011*

Important Cafeteria Plan Changes for 2011

The recently enacted Patient Protection and Affordable Care Act of 2010 brings with it changes to the rules for Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA) and Health Savings Account (HSA) pre-tax funds effective January 1, 2011. While FSAs, HRAs and HSAs continue to be a great way to pay for eligible healthcare expenses with pre-tax funds, planning is more important than ever.

OTC (Over-the-Counter) rules change!

Starting January 1, 2011, if you have an FSA, HRA or HSA, you are no longer permitted to use your account funds to purchase OTC drugs and medicines (e.g. Advil, ibuprofen, cough syrup) unless you have a Note of Medical Necessity (NMN) or a prescription from your doctor. You can continue to use your FSA, HRA and HSA funds to purchase OTC items that are not considered a drug or a medicine (e.g. bandages, wound care, contact lens solution or insulin). If you have a prescription or a NMN for an OTC medicine or drug, you must pay out of pocket at point of sale and then submit a manual claim requesting reimbursement. You cannot use your Flex Debit Card for this purchase. You should consider the new OTC rules when estimating the amount to put in your account for the next plan year.

Eligible Over-the-Counter Items (Effective January 1, 2011)*

The following is a high level list of Over-the-Counter (OTC) items that clearly are not medicine or drugs and may be eligible for purchase with FSA or HRA dollars depending on your plan.

Antiseptics, Wound Cleansers	Alcohol • peroxide • Epsom salt
Baby Electrolytes	Pedialyte • Enfalyte
Denture Adhesives, Repair, and Cleansers	PoliGrip • Benzodent • Efferdent
Diabetes Testing and Aids	Insulin • Ascencia • One Touch • Diabetic Tussin • insulin syringes • glucose products
Diagnostic Products	Thermometers • blood pressure monitors • cholesterol testing
Elastics/Athletic Treatments	ACE • Futuro • elastic bandages • braces • hot/cold therapy • orthopedic supports • rib belts
Eye Care	Contact lens care solution
Family Planning	Pregnancy and ovulation kits
First Aid Dressings and Supplies	Band Aid • 3M Nexcare • non-sport tapes • Hearing Aid/Medical Batteries
Incontinence Products	Attends • Depends • GoodNites for juvenile incontinence
Reading Glasses and Maintenance	

Eligible Items (Effective January 1, 2011)*

The following is a potentially eligible items.

BABY/CHILD TO AGE 13	Lactation Consultant* • Lead-Based Paint Removal • Special Formula* • Tuition: Special School/Teacher for Disability or Learning Disability* • Well Baby /Well Child Care
DENTAL	Dental X-Ray • Dentures and Bridges • Exams and Teeth Cleaning • Extractions and Fillings • Oral Surgery • Orthodontia • Periodontal Service
EYES	Eye Exams • Eyeglasses and Contact Lenses • Laser Eye Surgeries • Prescription Sunglasses • Radial Keratotomy
HEARING	Hearing Aids and Batteries • Hearing Exams
LAB EXAMS/TESTS	Blood Tests and Metabolism Tests • Body Scans • Cardiograms • Laboratory Fees • X-Rays
MEDICAL EQUIPMENT/SUPPLIES	Air Purification Equipment* • Arches and Orthotic Inserts • Contraceptive Devices • Crutches, Walkers, Wheel Chairs • Exercise Equipment* • Hospital Beds* • Medic Alert Bracelet or Necklace • Nebulizers • Orthopedic Shoes* • Oxygen* • Prosthetics • Syringes • Wigs*
MEDICAL PROCEDURES/SERVICES	Acupuncture • Alcohol and Drug/Substance Abuse (inpatient treatment and outpatient care) • Ambulance • Fertility Enhancement and Treatment • Hair Loss Treatment* • Hospital Services • Immunization • In Vitro Fertilization • Physical Examination (not employment-related) • Service Animals • Sterilization/Sterilization Reversal • Transplants (including organ donor)
MEDICATIONS	Insulin • Prescription Drugs
OBSTETRICS	Lamaze Class • OB/GYN Exams • OB/GYN Prepaid Maternity Fees (reimbursable after date of birth) • Pre- and Postnatal Treatments
PRACTITIONERS	Allergist • Chiropractor • Christian Science Practitioner* • Dermatologist • Homeopath • Optometrist • Osteopath • Physician • Psychiatrist or Psychologist
THERAPY	Alcohol and Drug Addiction • Counseling (not marital or career) • Hypnosis • Occupational • Physical • Smoking Cessation Programs* • Speech • Weight Loss Programs*

The list above is not meant to be an all-inclusive list of potentially eligible FSA and or HRA expenses, as other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are “potentially eligible expenses” that require a Note of Medical Necessity from your health care provider to qualify for reimbursement. Each plan is different; for additional information specific to your plan, check your Summary Plan Document or contact myCafeteriaPlan. This list of eligible and ineligible expenses is current as of October 28, 2010.

***DISCLAIMER:** Every effort has been made to present this information accurately, however, this is just a summary overview. An overview means that details, explanations, and qualifiers are left out. This information is intended only to provide general guidance, and you should not rely on it as a complete explanation of this topic. OTC rules and guidelines are still being drafted and may change prior to January 1, 2011.