

Health Insurance Reform Act

“Patient Protection and Affordable Care Act”

Enacted March 23, 2010

The recently enacted health insurance reform legislation has language that will significantly impact Sec 125 Medical Reimbursement Plans (medical flexible spending accounts). The most immediate impact will be the elimination of most over-the-counter drugs and medications effective January 1, 2011. While there may be some exceptions, specific information will not be available until regulations are issued by the Department of Health and Human Services and the Internal Revenue Service. Hopefully, these regulations will be forthcoming soon. We will provide this information to you as soon as it is available.

Additionally, there has been a change in the availability of group health insurance coverage for children up to, and including, age 26. You may wish to contact your group health insurance provider regarding these changes.

Beginning with Sec 125 plan years after December 31, 2012, Medical Reimbursement accounts will have a specific dollar limit (presently the ‘act’ sets this amount at \$2,500), and in 2014 all employees will be required to have health insurance coverage.

Obviously the most important new requirement is the over-the-counter drugs and medication issue. We will keep you and your OFG Financial Services Representative informed regarding the new regulations as information becomes available.