



## Employer Services Advisory

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### Final Reminder to Amend Your Health FSA and HRA Before June 30th

If you have not already done so, you should confirm that your company's health flexible spending account (FSA) and health reimbursement account (HRA) have been amended, if necessary, to comply with the health care reform requirement that health FSAs and HRAs can only reimburse medicines and drugs other than insulin if the medicine or drug is prescribed.

An IRS transition rule gave plan sponsors until June 30, 2011 to amend their plans to comply with the new requirements, as long as the amendment is effective retroactively for expenses incurred after December 31, 2010 (or as late as January 15, 2011 for debit card purchases, if debit cards are offered) and the plan is administered in compliance with the requirement beginning January 1, 2011.

Also note that this prescription requirement must be communicated to employees. If a debit card program is offered, employee communications should also describe the impact on debit card transactions.

*This is part of our series of alerts intended to help guide employers and plan sponsors through their new obligations under the recently-enacted health care reform laws and related guidance. With a team of attorneys who are highly experienced in the employee benefits field, MLA can provide answers to questions and assistance in complying with these requirements.*

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