

Benefit Marketing Solutions LLC

Your Solution to Quality Third Party Administration



Important News Affecting Your FSA, HRA or HSA

What has Changed? In March 2010, Congress passed the Patient Protection & Affordable Care Act, and details are only now becoming finalized so we can pass them on to you. The Act includes a number of changes to employee benefit programs as well as Health Flexible Spending Accounts (FSAs) Health Reimbursement Arrangements (HRAs) & Health Savings Accounts (HSAs). **Effective January 1, 2011, certain over-the-counter drug expenses will require a physician's prescription in order to be reimbursed under a FSA, HRA or HSA.** This change applies to OTC expenses incurred on or after January 1, 2011 and will affect all plans and participants at this time, regardless of the Plan Year. All OTC expenses incurred prior to January 1, 2011 will still be reimbursed without a prescription.

OTC Categories no longer eligible without a Prescription	
<ul style="list-style-type: none">● Acid Controllers● Allergy & Sinus medicine● Antibiotics● Anti-Diarrheas● Anti-Gas Products● Anti-Itch & Insect Bite● Anti-Parasitic Treatments● Baby Rash Ointments/Creams● Cold Sore Remedies● Cough, Cold & Flu Medicines	<ul style="list-style-type: none">● Digestive Aids● Feminine Anti-Fungal/Anti-Itch● Hemorrhoid Preps● Laxatives● Motion Sickness● Pain Relievers● Respiratory Treatments● Sleep Aids & Sedatives● Stomach Remedies
Note: Controlled Drugs and Medicines that require a prescription as defined by state law remain eligible for purchase with an FSA/HRA card using IIAS.	

How Will This Affect Participants? If a participant requires an OTC medicine or drug (within the categories note) they will need to obtain a Prescription from their healthcare provider. The prescription must clearly state the medicine the participant (or eligible family member) requires, the condition being treated and the frequency for which the medicine is needed. The physician's prescription will then render the OTC expenses as eligible for reimbursement under a FSA, HRA and/or HSA.

The provision will also impact the use of the BMS LLC Take Care Debit Card. Effective January 1, 2011, you will no longer be able to use your Debit Card for OTC items that require a prescription (it will decline it at the point of service.) HOWEVER, the OTC Item will continue to qualify for reimbursement if you pay the provider out of pocket, then complete a BMS Claim Form, and submit the claim along with your qualified receipt and physician's prescription for BMS to issue a reimbursement directly from your account either via check or free Direct Deposit. (This is different with HSAs, employees simply retain the copy of the prescription in case of audit and reimburse themselves from their account. This must be done to avoid the 20% excise tax (up from 10% after 1/1/11) that can be assessed by the IRS under HSA regulations.)

Important Points. It is likely that this change will only affect a small percentage of medical FSA, HRA and HSA expenses. You will still be able to use your BMS LLC Take Care Debit Card for other items including Rx, co-pays, dental, and vision just to name a few. It is highly anticipated that funds in these accounts can be used for numerous other eligible expenses in lieu of those now viewed as ineligible due to this change. **BMS LLC highly recommends that participants continue to participate and benefit from pre-tax savings for all qualified medical expenses!**

Before the next open enrollment period, participants should review past Health FSA expenses to see what was spent on OTC drugs and items and adjust their new FSA annual election accordingly if you feel that obtaining a prescription from your physician will be an issue. Remember—the changes effective January 1, 2011 will affect all Health FSA participants even if they are in the middle of their current Plan Year. Our Customer Service Team is prepared to answer all participant questions regarding this change.

BMS LLC
P.O. Box 43653 ~ Louisville, KY 40253-0653
(502) 244-1161 ~ (800) 919-BMSI ~ FAX (502) 244-1162
www.bmsllc.net



Qualified Medical Expense List Under Your Health FSA, HRA and HSA Plans

Acid reducing gum, liquid & tablets	Diaper rash ointments	Ovulation indicators
Acne Medications	Diuretics & water pills	Oxygen
Acupuncture fees	Doctor's office co-pays	Pain relievers, aspirin, non-aspirin
Airplane ear protection	Eye watering/drying aid	Periodontist & Endodontist fees
Alcoholism & drug treatment	Ear Wax removal drops	Physical & speech therapy
All prescriptions drugs dispensed in US	Eardrops for swimmers	Physician & Osteopath fees
Allergy medications	Eczema cream	Physiologist & Psychiatrist
Ambulance expense	Elevated toilet seats	Pill Boxes
Anti-diarrhea medications	Emergency room co-pays	Pinworm treatment
Antifungal treatments	Endodontist Fees	Pregnancy test
Anti-itch lotion	Eye exams	Prescribed medicines
Antiseptic or ointment for cuts	First aid bandages, gloves & masks	Prescription Glasses & Contacts
Arches & orthopedic shoes	First Aid wipes	Programs (for specific disease with doc's note)
Arthritis pain reliever	Flu relief syrup, tablets & drops	Quit smoking programs, patches & gums
Artificial limbs & braces	Flu shots	Radiology
Bedpans & ring cushions	Gas prevention tablets or drops	Reconstructive bypass surgery associated with birth defect, disease or accident
Benzocaine swabs	Gastric bypass surgery	Reconstructive Surgery in connection with birth defect, disease & Accident
Body scans	Glucose meters and tablets	Respiratory stimulant ammonia
Boric acid powder	Hearing devices & batteries	Routine check-ups
Braille Books, & magazines	Hemorrhoid relief	Shower bars & safety handles
Bronchial asthma inhalers	Home blood or drug tests	Shower protection for casts, prostheses, etc
Bronchodilator/expectorant tablets	Homeopathic earache tablets	Sinus & allergy nasal spray
Bunion & blister medications	Homeopathic sinus medications	Sleeping Aids
Chiropractor & Podiatrist fees	Hot & cold compress packs & wraps	Smoking Cessation programs, patches & gums
Cholesterol tests & monitors	Humidifiers & Vaporizers	Special schooling for a disabled child
Christian Science practitioner's fees	Hydrogen peroxide	Surgical fees
Co-Insurance	Incontinence supplies	Syringes
Cold relief syrup, tablets & drops	Inpatient admission co-pays	Therapeutic support gloves
Cold sore & fever blister medications	Iodine tincture	Throat pain medications
Colorectal cancer screening tests	Ipecac syrup	Travel to doctor or healthcare facilities
Contact lenses and solution	Itch relief	Upset stomach medications
Contraceptives	Lab Fees	Vapor patch cough suppressant
Co-payments	Laxatives	Wart removal medications
Corn & callus removal	Lice control	Weight-loss programs & fees pertaining to a specific disease (with physicians note)
Crutches & canes	Medical alert bracelets & fees	Wheelchairs, walkers & shower chairs
Deductibles	Medicated bandages	Wigs for hair loss caused by disease
Dental fillings, crowns & bridges	Medicated bath products	X-rays & MRI
Dental sealants	Medicated chest rub	
Denture adhesive	Motion sickness tablets	
Dentures	Nasal decongestant spray/drops/inhaler	
Diabetic lancets	Needles	
Diabetic supplies	Obstetrics & Fertility	
Diabetic test strips	Office visits	
Diagnostic services or treatment	Orthodontist & Dentist	

NOTE: This list is not all inclusive and is subject to change. Contact BMS LLC for questions regarding a specific expense item to determine if it is qualified for reimbursement.

BMS LLC
P.O. Box 43653 ~ Louisville, KY 40253-0653
(502) 244-1161 ~ (800) 919-BMSI
FAX (502) 244-1162
www.bmsllc.net

***Effective January 1, 2011, certain Over-The-Counter items will no longer be eligible expenses for reimbursement under a FSA unless they are accompanied by a Doctor's prescription. Over the Counter Categories affected by this change include: Acid Controllers, Allergy & Sinus Medicine, Antibiotics, Anti-Diarrheas, Anti-Gas Products, Anti-Itch & Insect Bite, Anti-Parasitic Treatments, Baby Rash Ointments/Creams, Cold Sore Remedies, Cough Cold & Flu, Digestive Aids, Feminine Anti-Fungal/Anti-Itch, Hemorrhoid Preps, Laxatives, Motion Sickness, Pain Relievers, Respiratory Treatments, Sleep Aid Sedatives, and Stomach Remedies. The use of the Debit Card for these items will no longer be available. NOTE: Reimbursement is still an option through our Check or Direct Deposit Methods by simply submitting a manual claim to BMS, including a Doctor's prescription, to conform with new regulations enacted as part of Healthcare Reform.**