Federal Flexible Spending Account Program (FSAFEDS)

How Does the ACA Affect FSAFEDS?

Coverage of Over-the-Counter Medicines or Drugs
Beginning January 1, 2011, currently eligible over-the-counter (OTC) products that are medicines or drugs will not be eligible for reimbursement from your Health Care FSA – unless – you have a prescription for that item written by your physician. The only exception is insulin - you will not need a prescription. Other currently eligible OTC items that are not medicines or drugs will not require a prescription.
You will only be reimbursed for eligible OTC medicines and drugs purchased before January 1, 2011, and you must submit your claim on or before April 30, 2011.

Expanded Coverage for Your Child’s Eligible Health Care Expenses
Beginning January 1, 2011, an employee enrolled in FSAFEDS may request reimbursement for eligible health care expenses incurred by a natural child, stepchild, adopted child, eligible foster child, or a child who is placed with the employee for legal adoption. The child does not need to reside with the employee or qualify as the employee’s tax dependent. Prior to January 1, 2011, eligible children were limited to those who you could claim as dependent(s) on your Federal Tax return.
The ACA has also extended the age of a child who may incur eligible expenses under an employee’s Health Care FSA. Expenses of an employee’s child are covered through the taxable year prior to the taxable year in which the child turns age 27. This means the child’s health care expenses are not eligible for reimbursement during the entire taxable year in which the child turns age 27. For example, enrollees cannot be reimbursed for expenses incurred by a child who turns 27 anytime in 2011.
The ACA does not affect Dependent Care FSAs.

Need more information? Call FSAFEDS at 1-877-372-3337/ TTY 1-800-952-0450.