



## HEALTHCARE LEGISLATION CALL TO ACTION

Everyone wants to know where healthcare legislation is headed. The truth is, no one knows. The bills drafted in both the House and Senate before the August recess have generated a firestorm of public comment unlike any legislation in recent history. There are many issues being debated in town hall meetings, in the press and by lobbyists from a wide variety of special interest groups. Although the President has promised not to increase taxes on anyone other than those with taxable income over \$250,000, current proposals include taxing, reducing or eliminating benefits available to employees making much less.

Tax favored HRAs, HSAs and FSAs are already associated with many "Consumer Driven Health Plans" that are attempting to address both the cost and availability of health insurance for employer sponsored plans. These plans seem to be gaining traction and their costs increasing at a slower rate than health insurance in general. For decades, tax law has been structured to encourage employers to provide a variety of health benefits to employees. Now is the time to become active in the battle to save employer sponsored health benefits including Flexible Spending Accounts (FSAs), Health Savings Accounts (HSAs) and Health Reimbursement Arrangements (HRAs). Please consider contacting members of the **Senate Finance Committee** and your congressmen and sharing this information with your management team and employees and asking them to do the same.

The Employers Council on Flexible Compensation (ECFC) has sponsored the website **SaveMyFlexPlan.org** where you can learn more. By simply entering your zip code, you can send an email directly to the President, Vice President and your specific Senators and Representatives expressing your opinion on these very important benefits.

## ECFC 2009 ADMINISTRATORS' SYMPOSIUM

"Stayin' Alive Through Change," the theme and focus of the Employers' Council on Flexible Compensation (ECFC) annual administrators' conference, accurately describes the current state of Flexible Spending.

To help pay for the expansion of health insurance coverage, some legislative proposals reportedly floating around on Capitol Hill would cap FSAs at \$2,000 annually. The House version of the health care reform legislation (H.R. 3200) currently includes an amendment that would limit the scope of FSAs by prohibiting employees from using them to pay for over-the-counter medicines - a move that the Joint Committee on Taxation estimated would save the government \$8.2 billion over 10 years. In an effort to search for additional reform funding, the

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Joint Committee projected an estimated \$68.6 billion over 10 years by totally repealing the tax exclusion for FSAs, health savings accounts and health reimbursement arrangements.

Figures released during our attendance estimate that FSAs benefit 35 million Americans to help them pay for their out-of-pocket health care costs. In 2008, the average FSA participant earned approximately \$55,000 and contributed \$1,386 to their FSA. FSAs are used primarily by the working middle class. With the elimination of FSAs, these Americans would need to earn an additional \$462 annually to pay for their medical expenses and would lose the ability to seek the services or prescriptions they need until they have the necessary funds available.

Again, please consider contacting your congressmen. We will keep abreast of health care legislation as it moves through committees and will communicate any impact on the future of Flex Spending as this unfolds.

## FSA DEBIT CARD SOLUTION FOR OPEN ENROLLMENT

Are you planning for your upcoming benefits enrollment? Take advantage of the Health Care FSA debit card to simplify account access for your participants. Why not take advantage of increasing participation in the upcoming plan year by potentially 30%! Evolution Benefits (the Benny™ Card) reports that the ease of funds access through reduction of and potential elimination of claims filing (if the card is used at exclusively for medical purchases at IIAS merchants or for copays), can impact your plan participation significantly the first year it is offered.

Don't miss the opportunity to help your participants save tax dollars today! "Do the math" to estimate the potential increase in tax savings to your participants and to the bottom line of your organization. As health care costs continue to escalate, you can provide the tools to help make care more affordable.

Visit our **web site** to learn more how these cards work. We'd like to help! Contact our marketing department for cost and implementation information for this value-added feature!

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