

In March, President Obama signed H.R. 3590, the Patient Protection and Affordable Care Act and H.R. 4872, the Health Care and Education Reconciliation Act of 2010 into law. As a result of these being signed into law there will be some changes to Health Savings Accounts (HSA). Below is a list of the changes and the years they will take effect.

Effective in 2010

There are no immediate changes to HSAs in 2010.

Effective 2011

Limitation on Over-the-Counter Reimbursements. Effective for tax years beginning on or after January 1, 2011, over-the-counter medicines or drugs are not eligible for reimbursement under an HSA without a doctor's prescription.

HSA Distributions. The excise tax for nonqualified distributions from HSAs is increased from 10 to 20 percent.

Effective 2018

There are certain parts of the law that have yet to be clarified that could impact the HSA qualified health insurance. The administration is currently working on defining the Medical Loss Ratio (MLR) in regards to health insurance. How they define the MLR will impact the availability of HSA qualified health insurance.