

# what HEALTHCARE REFORM means to you

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Healthcare reform became law earlier this year with the passing of the Patient Protection and Affordable Care Act. The law affects employer-provided benefit plans. Many of the act's major provisions will not take effect for several years, although some provisions have a more immediate impact. Beginning in 2011, the changes listed at right will occur.

Your Health  
& Counts

## TVA medical-plan options

### Coverage for children up to age 26

Children up to age 26 will be eligible for medical coverage. To be eligible for TVA medical coverage, children of TVA employees and retirees must be:

- the natural, step, foster, adopted or legal-guardianship children of a TVA employee or retiree.
- less than 26 years old.

#### What this means to you

You will be able to add a child younger than 26 to your TVA medical coverage during this year's annual enrollment. The child's medical coverage would begin Jan. 1, 2011.

Information about this year's annual enrollment will be communicated in the fall.

### Pre-existing conditions

There cannot be any pre-existing-condition exclusions for medical coverage of children under 19. For TVA medical plans, children under 19 will no longer have to provide proof of previous health coverage to eliminate a waiting period to be covered.

#### What this means to you

If you have a child under 19 who is still in a pre-existing-condition waiting period on Jan. 1, 2011, no action is required on your part. The child's waiting period will automatically end at midnight Dec. 31, 2010.

### Lifetime dollar limits

There cannot be any lifetime maximum dollar limits for medical coverage. So TVA medical coverage will no longer have a \$1 million lifetime dollar limit for major organ-transplant procedures.

#### What this means to you

There will no longer be a limit as to the amount the TVA medical plan pays for the following major organ-transplant procedures: heart,

heart and lung, liver, pancreas, lung (single or double), small bowel, small bowel/liver. No action is required on your part.

## Healthcare Flexible Spending Account and Health Savings Account

### Over-the-counter medication

Over-the-counter medication not prescribed by a doctor will no longer be eligible for reimbursement from a healthcare flexible spending account (FSA) or health savings account (HSA).

#### What this means to you

If you elect to have a healthcare FSA or HSA in 2011 or later, you will no longer be able to reimburse yourself from your account for over-the-counter medication, unless it is prescribed by a doctor. So, when you estimate your healthcare expenses to determine how much to contribute to your account during open enrollment, do not include the amount of money you spend on over-the-counter medications. And do not request reimbursement for over-the-counter medications from either account.

### Tax penalty

There will be a 20-percent tax penalty if you withdraw money from your HSA for reasons other than the reimbursement of qualified medical expenses.

#### What this means to you

A qualified medical expense is an expense that pays for healthcare services, equipment or medications as described in IRS Publication 502. You are responsible for your HSA. Learn more at [www.hsabank.com/tva](http://www.hsabank.com/tva).

As details of the legislation continue to be clarified, information will be provided through *Inside TVA*, *TVA Today* and during annual enrollment.