

Medical Reimbursement Tightening Means Big Changes for Consumers and Medical Providers

By Melanie Herron

Big changes have been approved this year that will dramatically decrease the amount of money consumers can put aside into flexible spending accounts (FSA). This change can negatively impact medical practices that accept FSA dollars as payment for performed procedures and services.

As 2010 comes to a close, it is the time of the year for consumers to make their 2011 flexible spending account (FSA) elections. Flexible spending accounts are set up through employers, which allow employees to set aside a portion of his or her earnings to pay for qualified medical expenses. The money deducted is not subject to payroll taxes, which, results in significant payroll tax savings.

Beginning on January 1, 2011, patients will need a doctor's prescription to receive reimbursement for over-the-counter drugs. This change will dramatically affect the amount of money employees put aside for 2011 and subsequent years. "I had no idea of this change when I made my 2011 elections or I would have set aside less money" says Laura Burke of Raleigh, NC.

Another big change will begin in 2013, when the government will limit flexible spending accounts to \$2,500 per employee. This is a big change for consumers as the government previously did not limit the amount employees could set

aside. Most companies, however, did restrict payroll deductions to \$5,000 per year. This change can negatively impact people who were waiting to use their FSA dollars to pay for big ticket medical items or procedures such as [LASIK](#) or orthodontia.

Now is the time for medical providers to educate their community on the changes that are set to occur. This is especially important for [LASIK surgeons](#) as many consumers set aside a large portion of their FSA dollars to pay for the procedure. "Many of the patients calling at this time of the year are wanting to get in to either use their remaining FSA dollars on LASIK or are wanting to set aside money for the coming year" says Kelley Malin of [Raleigh Eye Center](#).

This change will most likely decrease the amount of procedures that are performed by medical practices that accept FSA as payment. Physicians who are not proactive in their [community and patient education](#), can negatively impact the amount of procedures performed in 2013.

Physicians should keep an open dialogue with prospective patients and the community at large about this impending change. By taking a proactive stance, medical providers can actually benefit from the change.

For patients who have held off on having a big ticket medical procedure, now is the time to move forward! Flexible spending accounts can save consumers thousands of dollars each year, but time is running out. Don't miss out on an opportunity to save!

About the Author:

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