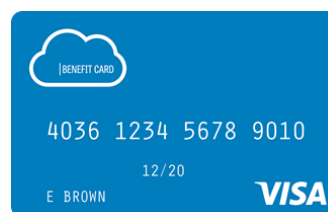




## My Health Benefits Pre-Paid Debit Card



- IRS regulations allow you to use your Card in participating pharmacies, discount stores, department stores, and supermarkets that can identify FSA-eligible items at checkout and accept MasterCard® prepaid cards or Visa® prepaid cards. Eligible expenses are deducted from the account balance at the point of sale.
- You may also use the Card to pay a hospital, doctor, dentist, or vision provider that accepts MasterCard® prepaid cards or Visa® as defined by the FSA.

### Why do I need to Substantiate transactions when I use my Benny Card?

For some expenses, more information, such as a printed receipt, to confirm that your purchase was eligible and complied with IRS rules is needed. This process is called substantiation. It's very important for you to save your receipts, and fax or mail them right away if The Health Plan requests them. There are three parts to the substantiation process:

1. You agree that the expenses haven't already been reimbursed, and that you won't try to get reimbursement from another health plan or health account. This acknowledgement statement is found on the back of your debit card. By signing and using your card, you're confirming that the purchases you make are eligible.
2. Claims must be substantiated – or proven – at the point of purchase or by a third party, like your employer or an administrator.
3. When asked, you should be able to prove that everything you bought with your Flexible Spending Account (FSA) debit card is eligible by providing a printed receipt with the **description, amount and the date of purchase**. The IRS created these rules to make sure that health care accounts act just like traditional health or accident insurance, and pay only for eligible health care claims. Important: If you aren't able to prove that you've used your health account only for eligible expenses, the IRS may consider your other health account reimbursements as taxable, whether or not you provide proof of eligibility.

### Do all FSA debit card purchases have to be substantiated?

Yes. Because health accounts use pre-tax money, all FSA debit card transactions must be substantiated to confirm that the items you buy are eligible to be paid for from the account. Some debit card transactions can be verified electronically at the point of purchase, but others require that you submit written documentation to support your purchases.



### **Isn't the debit card process supposed to be paperless?**

No. While most transactions can be verified electronically, the debit card system itself is not paperless. The IRS requires that you keep a printed receipt for every FSA and HRA debit card purchase you make. Depending on how your plan verifies purchases electronically, and the products or services you buy with your debit card,

Some examples of transactions that may require a printed receipt for substantiation are: If you pay your doctor at the time of your visit based on an estimated cost for a service or procedure, but then you're later billed for a different amount. For example, Tom goes to the doctor with an ear infection. He pays his doctor \$30, anticipating the amount he'll owe for the office visit. When he receives his explanation of benefits (EOB), the amount he actually owed was \$25. The amount he owed and the amount he paid do not match so the transaction cannot be substantiated.

If you purchase something for you, your spouse or your children that is not covered by The Health Plan. For example, Tom's son twists his ankle at a soccer match. He can walk and doesn't go to the doctor, but Tom wants to make sure the ankle is supported for a few days. Tom goes to the pharmacy and buys an ankle brace and some ice packs – which are considered 213(d) eligible items. Tom pays with his FSA debit card. Because these items are not covered by the medical plan and because there's no record of a doctor's visit, Tom receives a letter from The Health Plan asking for documentation of the purchases. Tom sends the receipt, along with the letter, the payment is substantiated.

### **What is a Receipt?**

A receipt is a detailed bill, EOB (Explanation of Benefits), or a printed receipt from the provider or pharmacy. The receipt must have the date of service, the service provided, the Providers Name and the amount of the transaction. The most reliable method to substantiate transactions is with an EOB for health related transactions.