

Using My Flexible Spending Account (FSA) Debit Card

Why would I use the FSA Debit Card?

The card is a **payment convenience**, allowing you to use FSA funds to pay medical providers. You may want to use the card to purchase over-the-counter medicines, medical supplies and prescriptions and to pay medical providers (physicians, dentists, vision centers, hospitals, etc.) for qualified expenses. The card COULD eliminate the need to provide documentation of the actual services provided to Tri-Star, if your plan includes a fixed copay for the services provided (i.e., Emergency Room, office visits, prescription drugs).

Where can I use the FSA Debit Card?

- **Medical Providers**, e.g., most doctors, hospitals, dentists, optometrists, orthodontists, psychologists, etc.
- **Inventory Information Approval System (IIAS) Merchants**, e.g., Target, Sav-On Drugs, CVS, etc. These are examples of pharmacies and merchants who sell general merchandise who have installed systems to track qualified FSA eligible items using the product codes. The qualifying expense list is a standard list, adopted by all IIAS members.
- **Pharmacies or Drug Stores** that are certified as a "90% merchant," certifying that 90% or more of annual gross sales are for FSA qualified medical items. This list is also posted as noted above for IIAS merchants. *All card payments made to these providers will require the detailed statement showing purchase details.*

When should I **NOT** use my FSA Debit Card?

You should never use your card to pay for items that do not qualify for the current FSA plan, such as:

- Paying a balance due on a service provided prior to the first day of the current FSA plan year;
- Paying for warranties, protection plans on glasses or clip-on sunglasses;
- Paying for expenses that are reimbursed by an insurance plan, an HRA or some other plan;
- Pre-paying for a service that has not yet been provided; or
- Paying for medical expenses if you are in the Health Savings PPO.

If you pay for non-qualified items with your card, your card could be suspended and you will be required to repay this to your FSA, in compliance with IRS regulations.

How do I use the FSA Debit Card?

Swipe your FSA Debit Card to use as payment at the merchant/physician's card machine and select "credit." This is important since your card does not have a PIN. The card accesses your HCFSAs available balance to pay the merchant/physician and correspondingly reduces your HCFSAs available balance.

When should I **NOT** be asked to provide supporting documentation?

- **Purchases at IIAS Merchants;**
- **Payments that match the copay** amount for your medical plan (or multiples up to 5 times); and
- **Recurring expenses**, e.g.; orthodontic payments, allergy injections, etc. You must substantiate the first of these each year and should not have to support future payments to the same provider for the same amount during that plan year.

When **WILL** I be asked for documentation from Tri-Star?

You will be asked for documentation when using your card for all expenses other than the reasons listed above. Since most payments to dental and vision providers are not for copays under your employer's plans, you should expect to receive notice from Tri-Star to provide documentation for these payments. Instead of using your card to pay for these, you can file a claim with Tri-Star to receive payment of funds in your account and then pay your provider when you receive their invoice.

Why do I have to provide documentation if I've used the card?

IRS regulations require all withdrawals or use of FSA funds to be supported by documentation of the services provided from the independent provider of service or insurance carrier. Additional regulations define what uses of the card can be electronically, automatically substantiated. You will be asked for documentation in situations not considered by the IRS as automatically approved for the HCFSAs.

What information is required that Tri-Star does not already have?

The credit card system captures and reports only the merchant name, date of payment and payment amount to Tri-Star. The IRS regulations require that supporting documentation include the date the actual services were provided, the patient name a description of the services provided and the charge for services (this may be

different from the amount paid). When responding to Tri-Star's request for additional documentation for items covered by your insurance, you should provide the insurance carrier's Explanation of Benefits (EOB). If the expense was not covered by your insurance you should provide the statement from the physician showing the date the services were provided along with a description of those services, the provider's name and the charge for the services.

How do I know when to provide documentation for a transaction?

You will receive an email from Tri-Star informing you of a new message posted to your online account Message Center. The message in the Message Center includes the transaction(s) requiring supporting documentation, instructions and the corresponding deadline to provide the documentation. You will receive notices via e-mail, to the address you have reported to Tri-Star. To ensure that your e-mail spam filter does not block notices from Tri-Star, you should set up the following e-mail addresses in your address book so they are recognized as trusted addresses:

- operations@tri-starsystems.com
- claims@tri-starsystems.com

How can I view the details of my debit card transactions?

Once you log into your Tri-Star account, you can click on the **Debit Card** link on the left menu for approval status of card payments, items awaiting documentation from you, and a list of all card payments.

Do I have to keep my documentation?

Yes. Retain all documentation with your tax records, in case of an IRS audit or if requested by Tri-Star.

How many cards do I get?

You are issued two cards, both imprinted with the name of the enrolled participant (one to share with a qualified family member also covered under your HCFSA). Each of you should immediately sign the card with your name, agreeing to the terms printed on this card, and activate the card as instructed.

What if my card is lost or stolen?

E-mail or call Tri-Star Systems immediately or do this on your online account under the **Debit Card** link. You will pay \$5 for each set of cards reissued, which will be deducted from your available HCFSA balance.

Once I've used all the funds in my account, do I need to keep my card?

Yes. The physical card itself has an expiration date like any credit or debit card and is valid through this date. You must enroll in the HCFSA during your Annual Enrollment each Plan Year to have funds available on the card. Next year's election will be loaded on this same card, effective at the start of the new Plan Year. Do not discard your card or the card company will charge the \$5 fee for replacement cards.

If I don't use the card to pay a provider, can I still file claims for medical expenses I pay personally? Yes. Each card payment and each physical claim (for items purchased or expenses incurred not paid for using the card), reduce your HCFSA balance. **Caution: Do not file claims for items you have already paid to providers using your card.**

If my card does not work at the time I swipe it, what might be wrong?

- You may have selected the "debit" key instead of "credit." Try this again and select the "credit" button on the machine.
- You may not have funds still available in your HCFSA to cover the amount you are trying to pay with the card. The machine will not accept purchases/payments in excess of your available balance for the Plan Year.
- The merchant may not be identified by the debit/credit card system as a medical provider.
- If you are using the card at a pharmacy or drug store, they may not be an IIAS or 90% merchant.
- Your card will be suspended for overdue documentation requested and you will be required to reimburse the Plan for any reimbursements which still require documentation. Please review card details as noted above under, "**How can I view the details of my debit card transactions?**"