

## Important Information About Your **PREPAID BENEFITS CARD**



Congratulations!

Since you've enrolled in the Flexible Spending Account Program, every dollar you set aside in your Flexible Spending Account saves you on taxes and increases your spendable income! And, you know the benefits of using these pre-tax funds to pay for health-related, out-of-pocket costs not covered by your insurance.

We're now providing you with an easy way to access your Flexible Spending Account. Within two weeks, you'll receive two Prepaid Benefits Cards at your home address for you and your family members to use. The Cards will arrive in a special envelope that looks like this – so please don't throw it out!



Your Prepaid Benefits Card is loaded with the value of your annual FSA election amount. Using your Card helps you keep cash in your wallet and makes accessing your FSA funds easy. The Card can be used, instead of cash, to pay for qualified health care expenses such as:

- Prescription and health plan copayments, deductibles and coinsurance
- "Amount Due" on medical and dental statements
- Orthodontics
- Mail-order or online prescription invoices
- Vision services and eyeglasses
- LASIK surgery
- Eligible over-the-counter (OTC) items

You'll simply swipe your Card each time you incur a qualified health care expense and the amount of your purchase will be deducted from your FSA – automatically. You can also fill in your Card number on bills you receive from providers to pay the amount you owe. You'll have no claim forms to complete and you won't have to wait to get a check in the mail. You can check balances or account details anytime – online or with a quick phone call. It's that easy!

***Remember, the Card will not work at gas stations or restaurants – only at health care related providers.***

### **It's Important to Save Your Receipts!**

Your Prepaid Benefits Card will definitely improve your cash flow. However, be aware that the IRS requires the Card be used only for eligible expenses. Most of the time, we can verify the eligibility of the expense automatically. Yet, there are instances when you'll receive a letter/notification asking you to furnish an itemized receipt to verify the expense. When you receive such a request, make sure you submit the receipts as soon as possible to avoid having your Card suspended until receipts have been submitted and approved.

### **What is an itemized receipt?**

An itemized receipt must include: merchant or provider name, services received or item purchased, date of service, and amount of the expense. Cancelled checks, handwritten receipts, card transaction receipts or previous balance receipts cannot be used to verify an expense.

### **Using Your Card is as Easy as 1-2-3!**

Look for additional information about how to use your new Prepaid Benefits Cards included with your card packet in the mail. We hope you enjoy this new exciting feature of your FSA!

### *General Questions on the Pro-Flex Prepaid Benefits Card*

Employers and employees may have questions about the requirements for submitting receipts when the Pro-Flex Prepaid Benefits Card is used to pay for a service. This handout provides an explanation of the receipt substantiation requirements.

### **IRS Rules Govern Substantiation Requirements**

The IRS has established specific guidelines that require all Flexible Spending Account (FSA) and Health Reimbursement Arrangement (HRA) transactions — even those made using a healthcare payment card — to be substantiated (verified that the purchase was an eligible medical expense).

The substantiation process is performed by Evolution1. We are very diligent in the execution of the substantiation process to avoid adverse tax consequences to employees.

### **Common Misconceptions about Receipt Requirements**

1. If the Payment Card is used for an eligible service, no further receipts or documentation are needed to support the expense.
2. Any claim at a doctor, dentist or vision provider will not require receipts.

These misconceptions are *NOT TRUE!* Since not all services from a medical, dental, vision or a non IIAS pharmacy provider are eligible expenses, itemized receipts are required to verify eligibility. For example, a dentist may perform teeth whitening, which is not eligible for reimbursement.



### **IIAS and Auto Substantiation**

Inventory Information Approval System (IIAS) is a new Federal Government mandated system used by pharmacy merchants that identifies eligible prescription and over the counter items and limits FSA and HRA healthcare payment cards to only those eligible items.

This system makes it easier for account holders to manage eligible over-the-counter and pharmacy expenses, since the merchants automatically substantiate purchases at the point of sale.

All supermarkets, grocery stores, department stores, and wholesale clubs are required to implement the IIAS merchant program or they cannot accept healthcare payment cards. For a regularly updated list of these stores and pharmacies, please choose the IIAS Merchants link on your consumer portal and look for retailers that are certified IIAS compliant.

## Always Save Itemized Receipts

Employees should save their itemized receipts from every healthcare payment card transaction and all of the explanation of benefits (EOBs) they receive from health/pharmacy/dental plans.

An easy approach for keeping this information on hand is to designate one envelope or folder to store all itemized healthcare payment card receipts and EOBs. Using this process will help employees find documentation if requested.

## Information Required on Documentation

All receipts or documentation must include the following information:

- Name of person who incurred the service or expense
- Name and address of the provider or merchant
- Date of service for the amount charged
- Detailed description of the service
- Amount due for the service provided

EOBs contain all of the required information and are excellent sources of documentation. *Credit card receipts and cancelled checks are not acceptable!*

Receipts for over-the-counter (OTC) and prescription items do not need to include the person's name, but must display the name of the item (e.g. band aids).

## Requests for substantiation

If a debit card transaction is not auto-substantiated, the plan administrator will send you request for documentation via email or traditional mail.



## Pro-Flex Administrators Benefit Card Request Form

Pro-Flex Benefit Cards can be ordered online using the Employee Portal available at [www.proflextpa.com](http://www.proflextpa.com). Upon logging in, navigate to the **Accounts** tab, select **Profile**, then **Banking/Cards**. Otherwise, please complete the below request and return to Pro-Flex Administrators.

### Participant Information

*\*=Required Fields*

*\*Employer Name (Do not abbreviate)*

*\*Participant Name (First, MI, Last)*

*\*Participant Mailing Address* ☐ *Check here if change of address*

*\*City*

*Department*

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*\*Social Security Number*

*Email Address (If provided, all notifications will be sent via email)*

*\*State*

*\*Zip*

**Cards arrive in sets of two cards per order.**

I am placing this order because (select one):

- ☐ My card(s) have been lost or stolen, and I need a new card number. I am aware that placing this request will deactivate ALL cards currently associated with my account. A \$5.00 fee will apply and will be deducted from my current account balance.
- ☐ I need additional card(s) for my spouse and/or dependents. I am aware that a \$5.00 fee will apply and will be deducted from my current account balance.

Optional:

- ☐ I need two additional sets of two cards, a total of four cards. I am aware that a \$5.00 fee will apply to each set of cards that I am requesting.

### Authorization

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Return completed form to:

Pro-Flex Administrators, LLC  
8321 Main Street  
Williamsville, NY 14221  
Email: [CSR@proflextpa.com](mailto:CSR@proflextpa.com)  
Fax: 716-929-2013 or  
toll free 1-855-214-8987

