

ASIFlex Health Care Flexible Spending Account (FSA) Debit Card Explanation and Overview

How does the ASIFlex debit card work?

The day your FSA Debit Card application is processed, your card will be programmed with the remaining annual balance in your FSA. You can then use the card to pay your medical provider or to purchase your prescriptions and over-the-counter items. The card pays the provider for the care and your available FSA balance is reduced by the purchase amount. **Using the card does NOT eliminate your responsibility to file paperwork with ASIFlex.** The IRS requires that each card transaction be supported, either electronically behind the scenes or with documentation ASIFlex requests from you, to ensure your pre-tax money is only being used to pay for FSA-eligible expenses.

Where can the cards be used?

Per IRS regulations, the FSA Debit Card is restricted to use **1) at health care providers** (based upon the Merchant Category Code of the provider) or **2) at retail stores that have an Inventory Control System** in place that restricts the items purchased with the card to FSA-eligible expenses.

- 1) Health Care Merchant Category Code (MCC):** Every merchant that accepts credit cards has an MCC, which is a general category that is assigned when the merchant applies for the right to accept credit cards. The FSA debit card will work to pay providers **that have an MCC that indicates the merchant is a health care provider** (hospital, doctor, dentist, optometrist, chiropractor, etc.).
- 2) Inventory Control System Restriction:** The IRS also allows a card to be used at retail **stores that have an FSA Inventory Control System in place** that only allows FSA-eligible items to be paid for with your FSA debit card. The card will work at these stores, even if the MCC does not indicate it is a health care provider. A list of stores with this system in place now (and some expected in the future) is available online, at www.asiflex.com/pebb. **Payments at these stores will not generally require you to file follow-up documentation (although you should always keep your receipts).** *In most, if not all cases, the card will not work at grocery/retail stores (unless the store has implemented the FSA Inventory Control System).*

How do I use the debit card when I receive care?

- You just swipe your debit card through the credit card machine, and select **“credit” (not debit)**. There is no PIN number for you to remember when using your card. If you are making a purchase at a store with an FSA Inventory Control System in place, you will be asked for a separate form of payment for non FSA-eligible expenses (such as groceries and sundry items).
- If you have available FSA funds and are using the card at an allowable merchant, the transaction will be approved.
- Keep your documentation from all debit card transactions, as you will need them if you are audited by the IRS or if ASIFlex requests follow-up documentation.

I just tried using the debit card, but it didn't work. Why not?

- ✓ You do not have enough funds left in your flexible spending account to cover the payment.
- ✓ You received care or treatments from a provider whose MCC is a non-medical provider type. This could include grocery stores, general merchandise stores, and membership clubs (including most pharmacies located in these stores).
- ✓ You selected “debit” after you swiped your card in the credit card machine, and tried to enter a PIN number. Even though it's called a debit card, **always choose the “credit” option.**
- ✓ Your card transaction is more than the swipe limit allowed by the merchant.

Do I have to do anything after I use my FSA debit card? Is paperwork eliminated?

Generally, you will have to provide supporting documentation to ensure each purchase with your FSA Debit Card is for an item(s) eligible for a tax break, **so the paperwork is not always eliminated.** The card is basically a payment convenience. However, if the purchase amount matches your employer-sponsored insurance co-pay amount (or a multiple up to 5 times the amount) for the treatment or service you received or the prescription drug purchased, ASIFlex will not request documentation. Also, if you use your card at one of the retail stores that have the Inventory Control System in place, ASIFlex will generally not request documentation. **ASIFlex will let you know if you need to submit documentation for a transaction, so keep all documentation in case it is requested. Please do not submit documentation until you receive a notice asking for it, since some items do not require follow-up documentation. You will need to send the notice to ASIFlex with the supporting documentation.**

How do debit card purchases that are not electronically/automatically supported affect my account?

If a debit card purchase cannot be electronically supported, ASIFlex will immediately reduce your available FSA balance and show this on your ASIFlex account as a payment advance, basically, a payment without a claim. ASIFlex will send you a notice requesting follow-up documentation of services provided that were paid with your debit card. When a copy of this notice and valid supporting documentation is received, this account advance will be supported.

Example: Tom pays his dentist \$700 for a crown, using his FSA debit card. The dentist's credit card machine is set up with a MCC as a medical provider but the \$700 is not a co-pay amount for Tom's insurance plan. ASIFlex sends Tom a notice asking for follow-up documentation for the \$700 purchase. Before Tom receives this notice, he submits a paper claim to ASIFlex for \$22 in over-the-counter medications. ASIFlex processes his claim, but no payment is issued that day. Instead, the amount ASIFlex is showing that Tom has been “advanced” is reduced from \$700 to \$678. The next week, Tom faxes the notice received from ASIFlex along with his itemized statement for the crown to ASIFlex. ASIFlex processes the supporting documentation for \$700 (which substantiates his FSA debit card payment), and Tom is issued a payment of \$22.

Does the ASIFlex debit card cost me anything?

There are no additional fees for use of the FSA debit card.

Do I have to apply for a new debit card each year?

No. The FSA debit card is good through the expiration date printed on the card. As long as you have FSA funds available and sign up for the new plan year during open enrollment, the card will continue to work.

What if I want to cancel my card or if I have questions?

Contact ASIFlex at 1-800-659-3035 or asi@asiflex.com to cancel your card, replace lost cards or if you have questions. If you are not using your card, please consider cancelling it to reduce the fees charged to your employer.



ASIFlex FSA Debit Card Application

Please print all fields clearly to avoid spelling errors.

Employer		Social Security Number (must be included or no card will be issued)		
Last Name:		First Name, Middle Initial		
Street Address:	City:	State:	Zip:	
Daytime Phone:	Home Phone:	Date of Birth: mmddyyyy (must be included or no card will be issued)		
Email Address (must be included or no card will be issued)		Employee Identification Number (if available)		

- ✓ The debit card is optional. If you do want a card, you have to complete this application. If you do not apply for the card, you will file claims and ASIFlex will reimburse you by direct deposit or check.
- ✓ Two debit cards, both in the name of the actual FSA participant, will be issued from an approved application. The card provider mails these cards directly to you approximately 10-14 business days from ASIFlex's processing of the application. There is a charge for additional or replacement cards.
- ✓ Please note that as mentioned on the reverse side of this application, **you will be required to submit substantiating documentation for many debit card transactions.** ASIFlex will notify you when follow-up documentation is required; **until you receive this notification, please do not submit support for these items.**
- ✓ **Always select the "credit" option when you present the card** at a merchant or a provider, even though the card is referred to as a "debit card." There is no PIN number associated with this FSA debit card.

I hereby state that the above information is accurate, to the best of my knowledge. Additionally, I certify that the FSA debit card will only be used to purchase eligible medical care expenses, as defined in Code §213(d) of the Internal Revenue Code and that I will not seek reimbursement from any other source for the expenses paid for with the FSA debit card.

Participant's Signature:

Date:

Fax application, toll-free, to: 1-866-381-9682

or

Mail to: ASI, P O Box 6044, Columbia, MO 65205-6044