

## FSA Debit Card Explained:

Thank you for signing up for the ASI Flex Spending program. Your employer has decided to offer the use of a debit card to pay for out-of-pocket medical expenses (please note that you cannot use the card for dependent care expenses). Use of the debit card can be a great convenience and can significantly enhance your experience in the Flex Spending program. However, the IRS has stringent regulations regarding the use of the FSA debit card, and even with the card you will usually have to submit a claim with supporting documentation to ASI or your card will be deactivated. So keep your statement of services you receive for each debit card purchase. ASI will send you a notice when you are required to submit a follow-up claim form & you will have 30 days to provide that information to ASI.

Please read this information carefully before deciding whether or not you would benefit from the use of the debit card. If you have any questions, please call ASI at (800) 659-3035.

### *How does the card work?*

In order for the card to work, you must select credit card as the payment option when you swipe the card (the Visa network considers the FSA debit card to be a credit card). The card then confirms two things: 1) that you have enough available funds to complete the purchase and 2) the merchant you are making the purchase at is an allowable vendor, according to the IRS regulations.



Allowable merchants include:

- Hospitals;
- Dentists;
- Pharmacies; and
- Doctor's offices.

Please note that grocery stores are not included in this list so if you purchase your prescriptions at a regular checkout line in a grocery store, the card will be declined. If you attempt a purchase at a pharmacy counter in a grocery store, the transaction should be allowed as long as the pharmacy credit card machine is coded as a pharmacy & not a grocery store (this isn't always the case).

The card will then compare the purchase amount to the copay amount we have on file for the participant. If the amounts match, no additional information will be required. If the amounts do not match, a debit card substantiation form and documentation must be submitted. The debit card can be used for expenses incurred by you or any of your qualified dependents (including spouse, children, parents, etc.) *Check out [www.asiflex.com](http://www.asiflex.com) for the IRS' definition of a dependent.*

The only exception to this is purchases made at Walgreens. Walgreens automatically confirms that the item purchased with the FSA debit card is OK and you will not have to submit follow-up claims for any qualified items that are purchased with the ASI debit card at any Walgreens store nationwide.

Use the situational chart below to learn when a Debit Card Substantiation Claim is required.

<b><u>Situation</u></b>	<b><u>Follow-up form required</u></b>
Purchase made at a doctor's office for known copay.	No
Purchase made at a doctor's office for an amount that does not match a known copay (please note this includes paying for 2 or more copays with one swipe of the card).	Yes
Purchase made at pharmacy for a prescription for a known copay amount.	No
Purchase made at pharmacy for a prescription. The price includes co-insurance.	Yes
Purchase made at a grocery store with a pharmacy. Card is used at a regular checkout counter (i.e. not at the pharmacy)	The transaction will most likely be declined because a grocery store is not an allowable merchant.
Purchase made at Walgreens for over-the-counter medications.	No. Walgreens confirms whether each item purchased is OK and will require you use a different form of payment for any item that does not qualify for reimbursement through your Flex Spending Account.
Purchase (or payment) made to a hospital for deductible expenses stemming from surgery.	Yes
Purchases made at your optometrist or an eyeglass store	Yes.
Purchases made for dependent care expenses (e.g. baby-sitting or daycare expenses).	Not allowed.
Card balance less than purchase amount.	Yes. The card will be declined and you will have to submit a regular paper claim.

**Fax Tips.** We welcome your faxed debit card documentation, but please be sure that the documents you submit will fax clearly. If it appears that your documentation will not fax clearly, please mail the documents instead of faxing them.

**REMINDER -- Timely Submission of Claims.** To be eligible for reimbursement, the claim must be incurred during your employer's plan year, or while you were an active participant in the FSA plan. Your claim **MUST** be post-marked by the end of your employer's run out period defined in your employer's Summary Plan Description (SPD). If your claim is post-marked after the end of your run out, it will not be eligible for reimbursement and any funds remaining in your FSA account will be forfeited according to IRS regulations.

**DEBIT CARD APPLICATION  
FOR HEALTH CARE FLEXIBLE SPENDING ACCOUNT USE ONLY**

To apply for your ASI Debit Card, please fill in the shaded area below and mail or fax to ASI. Your card is valid until the expiration date printed on it as long as you still have funds available for that Plan Year.

Employee Name: \_\_\_\_\_  
Employer: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_

ALL FIELDS ARE REQUIRED FOR CARD ISSUANCE.

**Please Note: ASI pays Health Care FSA claims within 1 business day of receipt. Please keep this in mind when you are deciding whether or not to sign up for the FSA debit card.**

By signing below, the applicant agrees that he/she is enrolled in the employer's health care flexible spending account program. You will not be assessed any monthly fees for the FSA debit card.

Prescription drugs and office visit copays may be paid for using the prepaid card provided they are a qualifying expense and funds are available in your health care flexible spending account. You will not need to submit claims by mail or fax for accepted transactions that match your employer's prescription drug or medical plan copays.

To cancel the card you will need to notify ASI of your intent to cancel the card 15 days prior to the cancellation date. ASI will turn the prepaid card off as soon as possible from the date of notice to allow previously submitted claims to be processed. (Contact ASI for a cancellation or card replacement form.)

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

SPOUSE OR DEPENDENT CARD(S) REQUEST:

Spouse or Dependent's Name: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_

**I authorize a \$5 reduction in my HCFSA Balance for each additional card requested.**