



# Enrollment Information

**IU HEALTH LA PORTE HOSPITAL  
FLEXIBLE SPENDING ACCOUNT  
DEBIT CARD GUIDE**

*Effective: January 1, 2013*



**HEALTHSMART BENEFIT SOLUTIONS, INC.**

WWW.HEALTHSMART.COM

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## Introducing Your FSA Debit Card

You already know that Flexible Spending Accounts (FSAs) are tax smart. Now when you enroll in your employer sponsored healthcare Flexible Spending Account Plan, you will receive savings and convenience.

### Your Benny® Visa Card

In our efforts to bring you the latest technology and service, you will receive your own Benny® card that makes using your Flexible Spending Account dollars even easier. The Benny® card is like a debit card in that it electronically accesses funds held in your Flexible Spending Account, and reduces the need to pay cash up front, submit paper claims and then wait for reimbursement.



### An Enhanced Way To Use Your FSA



You enroll in the FSA benefit program during open enrollment, and your elected healthcare and/or dependent care contributions will be deducted from your paycheck as usual. After your enrollment has been processed, you will receive two Benny® cards and an Agreement detailing all terms and conditions for use of the card in the mail. You should read and keep these materials for reference,

then sign the back of the card. A third card may also be ordered for an additional \$10 that will be charged to your Flexible Spending Account. Your FSA Debit Cards will arrive in an envelope with the “Benny Man” character on the front and very few other identifying marks for your protection.

Please activate your card as soon as possible. To activate, have the Benny® card with you and call the toll-free number on the sticker attached to the card. You will be asked for the last four digits of your Social Security Number upon activation. You only need to activate one of the cards, and this must be done by phone. Once activated, the card is immediately available for use. Activating the card online is not available.

When you seek healthcare services, you should present your medical insurance card first. Then, for qualified services not covered by your medical insurance, (copayments, deductibles, etc.), you should present your Benny® card. Each time your card is swiped, the FSA system checks the VISA merchant category code (MCC) that is loaded into the card machine. The MCC must match the list of IRS approved MCC's in order to be accepted. *(In general, doctor's offices, hospitals and dental offices are on the IRS approved list).*

The system also checks your FSA balance (*annual election minus pending and paid claims*) to ensure that your purchase does not exceed the balance in your account. Upon approval, the provider will be paid directly. It is very important that you save all receipts – as your FSA plan administrator, HealthSmart may request them to verify expense eligibility. Of course, if you choose not to use the Benny® card for eligible healthcare expenses, reimbursements will continue to be made using the traditional FSA claim reimbursement form.

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## Examples Using Your Benny® Card

### Example 1: Co-pays

Let's say your medical insurance has a \$25 co-pay for office visits. You have two children that see their pediatrician for an office visit. After receiving care, you would first present your insurance card to cover the cost of the office visit. Next, you would present your Benny® card to cover your copayments.

The same process would hold true for vision, dental and hearing care providers; specialist healthcare office visits; and medical clinics and hospitals (*including emergency rooms*).

### Example 2: Prescriptions

Under this scenario, assume you have an RX card for your prescription coverage and your plan has a \$30 co-pay for prescriptions. You get a prescription filled at a local drug store and pick up a few additional items such as lotion and vitamins. First, present your RX card at the pharmacy counter. If the store and the pharmacy counter have implemented inventory control standards required by the IRS, you would also present your Benny® card. Items that are coded as FSA eligible would be processed on the Benny® card and items that are not FSA eligible would require a second form of payment. For these pharmacies, there is no longer the need for you to determine what is eligible and non-eligible. However, if your pharmacy has not implemented the IRS inventory control standards, the pharmacy will decline your Benny® card and you will have to pay for all items using another form of payment. You can still receive reimbursement for these eligible items, but you must submit a paper claim. A list of stores and pharmacies that have already implemented the IRS inventory approved standards can be found on page 6.

If you choose to take advantage of a mail order drug program, visit [www.mybenny.com](http://www.mybenny.com) or call **800.821.8197** to verify that your mail order prescription drug program has adopted the inventory control standards; otherwise your Benny® card will be declined.

## General Information Concerning The Use Of Your Benny® Card

While using the Benny® card facilitates immediate provider payment, it does not eliminate paper completely. Claims must still be reviewed for eligibility under Section 125 of the Internal Revenue Code. These IRS guidelines require submission of third party documentation (*i.e., EOB statements, provider receipts*) to prove the expense was eligible for tax-free reimbursement even when you use your Benny® card, unless:

- The expense matches your employer's medical plan doctor office visit co-pay, or
- The expense matches your employer's pharmacy co-pay

Therefore, when purchasing all other items with your card (*such as expenses that go towards your deductible, vision expenses, dental expenses, over-the-counter items at the drug store, etc.*), you may still be required to submit receipts to show purchases are qualified expenses. This is an IRS requirement.



Additionally, by signing and using your Benny® card you agree to all the terms and conditions associated with the card. That means that each time the card is used, it will be used for qualified healthcare expenses (*described in the Agreement you will receive with the card*), and that you have not, nor will not receive or seek reimbursement from any other source. You take responsibility for all transactions of the card, including reimbursement of overpayments for ineligible claims.

The same process would hold true for vision, dental and hearing care providers, specialist healthcare office visits, medical clinics and hospitals, including emergency rooms. However, you must keep all receipts as the plan administrator may request them to verify expense eligibility. This is not a new requirement. The IRS has always required that you keep copies of your receipts.

## Over-The-Counter Inventory Approved Standards

Prior to 2008, if you purchased an over-the-counter (OTC) item at a grocery, department or drug store there were very few inventory standards in place to verify eligible flexible spending items. Without standards, participants were required to send in all receipts.



The IRS is requiring the use of an Inventory Information Approved System (IIAS) to be in place or your local pharmacy and drug store can earn more than 90% of their revenues from the eligible healthcare items (*90% merchants*). If a store or location does not have these standards, the card will not work. Purchases made at merchants on the 90% Rule Merchants List will require verification of eligibility, and you may receive a letter requesting itemized receipts, so please save all receipts!

Purchasing items at a location that has adopted the standards will allow you to purchase any item and at the checkout, it will automatically identify eligible FSA items. If all the items you are purchasing are FSA eligible, then you only need to present your Benny® card. If you are purchasing additional non-eligible items, you will be asked for another form of payment. Since the IRS has already approved these standards, the need to send in any support documentation has been eliminated. However, it is an IRS requirement that you keep your receipts for a period of no less than 3 years. This requirement is true for all out-of-pocket medical expenses whether you use the debit card or submit paper claims.

It is important to remember that if you choose to shop at a store that has not adopted the inventory approved standards, the card will be declined. You will still be able to purchase your over-the-counter items, but you will need to seek reimbursement by a paper claim submission. Refer to page 6 for a partial listing of stores that have adopted an IIAS. This list will continue to grow. You can check periodically on [www.mybenny.com](http://www.mybenny.com) for an updated, comprehensive list of both IIAS and 90% merchants.

*IIAS stands for Inventory Information Approved System. Additional information can be found in IRS Notice 2007-02 or online at: [www.irs.gov/irb/2007-02\\_IRB/ar09.html](http://www.irs.gov/irb/2007-02_IRB/ar09.html).*

## Merchants Accepting Your FSA Debit Card

**\*Note:** This is a partial listing. For a comprehensive list of merchants and pharmacies currently accepting your Flexible Spending Account debit card, please visit [www.mybenny.com](http://www.mybenny.com).

1-800 Contacts	Owen's	ShopKo
Albertson's-SuperValu	Pak 'n Save Foods	Shop N Save
Big Y Foods	Paradise Shop N Save	Shoppers Food & Pharmacy
CVS/Pharmacy	Pavilions	Shoprite
Drugstore.com	Pay Less Supermarkets	Smith's Food & Drugs
Food-4-Less	Payson Market	Star Market
Gilchrist Pharmacy	Peterson Foodtown	Stop & Shop Supermarket Co.
Kerr Drug	Pick'n Save	Target
King Soopers	Price Chopper Supermarkets	The RX Shoppe
Kroger	Quik Stop	Tom Thumb
Kwik Shop	Ralphs	Tradewinds Marketplace
Loaf'n Jug	Safeway	Vons
Longs Drugs	Sam's Club	Walgreen's
Lucky's	Save A Lot	Wal-Mart Stores
Macey's	Savon	
OSCO	Shaw's	

## Online Benny® Card Instructions

The first time you visit [mybenny.com](http://mybenny.com), you will be asked to register. You will need your Benny® Visa Card in front of you. Please follow the directions on the screen. Your Member ID is your nine digit Social Security Number without the dashes. Once registered, you will be able to choose your own password or reset your password at any time.

## Repayment Of Ineligible Expenses

What happens if you accidentally purchase an item that is later deemed ineligible? You will receive a letter or e-mail stating that your expense was not a qualified FSA purchase and that you are required to repay that amount back to the Plan. The letter or email will guide you through the repayment process. A personal check or money order payable to your Company and mailed to HealthSmart will also be required. If you fail to respond, the Plan will either offset future manual claims by the dollar amount due or add taxable dollars to your paycheck or W-2.

## Helpful Tips

The following are helpful hints, tips and reminders when using your Benny® card:

- Please remember that even though this card is legally considered a “debit” card (*because it is funded by your FSA election*), the card should be swiped at the point of sale as a “credit” card and thus will not require a pin number. You will need to sign for purchases (*similar to other credit cards*), and you cannot withdraw cash.
- The Benny® card is a signature based card. Your spouse may sign the back of the card even though your name appears on the front.
- If your email address is on file, the request letter for follow-up documentation will be sent by email. To protect your privacy, this information is password protected. Your password is the last four digits of the number shown on your Benny® card.
- Lost or destroyed cards may be reordered for an additional **\$10.00** fee that will be charged to your Flexible Spending Account (FSA).
- Always, always keep your healthcare receipts. Your plan administrator may request receipts to verify that your expenses meet IRS guidelines.
- If the merchant or service provider does not accept Visa debit cards, you will need to use another form of payment and submit a claim for reimbursement in a traditional manner.



*We hope you take advantage of this new FSA program feature and enjoy the benefits of using your Benny® card. As always, HealthSmart is available to provide assistance and answer any questions you may have by calling toll-free 800.821.8197.*

