



Flexible Benefit Plan Enrollment – Debit Cards

The use of debit cards for your flexible benefit expenses will create a new way for you to pay for out of pocket expenses. Using debit cards will not only give you instant reimbursement, but in many cases will relieve you of substantiating your expenses (sending in your receipts with a claim form). However, debit cards will not be accepted everywhere. There are MCC (merchant category codes) associated with your cards that will allow you to use them only in stores that carry qualified medical or dependent care expenses. For example, if you tried to use your card at Home Depot or Menards, the card would be rejected.

The IRS has allowed certain types of transactions with the use of a debit card that will NOT need to be substantiated. That is you can swipe your card and pay for the expense and will not need to send in a receipt with a claim form. The allowed expenses are:

- ✓ If you are enrolled in the Employer’s health plan, your Rx co-payments** will automatically be substantiated. However, if the pharmacy is not IIAS certified (see below) your card will be denied.
- ✓ If you have a recurring expense, the payment will be automatically substantiated after previous approval. For example, if you purchased an over the counter medication every month that costs the same amount every month (that had been previously approved) the amount would automatically be substantiated.
- ✓ If you are enrolled in the Employer’s health plan, your Dr co-payments will automatically be substantiated.
- ✓ If you use your card at a merchant that uses IIAS – Information Inventory Approval System you will not need to substantiate your expenses. To view a list of IIAS certified vendors go to www.sig-is.org. There are over 2,000 retail merchants that are IIAS certified, representing 40,000 retail locations. When you utilize these merchants, your debit card will only pay for “qualified medical expenses.” For example, if you went to Wal-Mart to pick up your Rx and you also wanted to purchase a 12 pack of Coke, your flex debit card will only pay for the Rx, not the Coke.

**** Please note, effective July 1, 2009 if the pharmacy or grocery store is not IIAS compliant your flexible benefit debit card will not work at these vendors. Those claims will need to be submitted on paper.**

If your card swipes do not meet the criteria above, you will be asked to provide documentation of your purchase(s). In those instances you should wait to receive your monthly statement. Once you have received your statement you can send in your documentation with the statement or go to www.myflexonline.com and review your card payments, confirm your expenses and print a form to send in with your receipts. I have attached a handout that shows this process. Unqualified expenses MUST be paid back, either by check or credit card. With careful use of your card, this will be unnecessary.

Cost for the debit card is \$12.00 per plan year, which will be directly debited from your flexible benefit account at the beginning of the plan year. Extra cards can be ordered at no extra cost.

We encourage you to call or email us with any questions or concerns you may have regarding your flexible benefit plan. Please see our contact information below:

Nancy Hager - nhager@midwestbenefits.com
Rachel Narum – rnarum@midwestbenefits.com

Phone – 800-344-3766 or 563-382-9611
Fax - 563-382-9613 (Claims may be faxed to this number)