

## Frequently Asked Questions: Health Care Spending Account

- **What is a Flexible Spending Account (FSA)?** An FSA is an employer-sponsored plan that allows you to deduct dollars from your paycheck and deposit them into a special account that's protected from taxes.
- **Why should I enroll in an FSA?** With an FSA, your out-of-pocket medical expenses can be paid with tax-free dollars. The plan can reduce a percentage of your tax liabilities dependent upon your tax bracket.
- **What is a Health Care Spending Account?** A health care spending account is an account that provides you, your spouse and your eligible dependents with pre-tax reimbursement for qualified medical, dental, and vision care expenses that are not covered by insurance.
- **How does the pre-tax deduction work?** Your election amount will be deducted from your first and second paychecks each month. You will not pay FICA, federal income tax, and state taxes on the election amount at any time. You will be spending tax-free dollars to pay for expenses.
- **Who is eligible to use the Health Care Spending Account?** Employees scheduled to work 30 or more hours per week, spouses, and eligible dependents may use the account whether they are covered under the Franklin County Cooperative Health Benefits Program or not.
- **What types of medical expenses are eligible for reimbursement?** Some examples include annual deductibles office visit and prescription co-pays, dental and orthodontia expenses, vision-related expenses including laser eye surgery. Find an extensive list of eligible medical expenses at: [www.bewell.franklincountyohio.gov](http://www.bewell.franklincountyohio.gov)
- **What if I would have surgery on 12/31/2016, and then receive a bill related to this same surgery after the 3/31/2017 deadline for claim submission?** The run-out period is set at 90 days. If it's getting towards the end of the run-out period you would want to follow up with the provider or request an itemized receipt in order to be reimbursed within the 90 day run-out period.
- **When will I be required to provide a letter of medical necessity and a prescription for Over the Counter (OTC) healthcare purchases using my FSA account?** If a healthcare-related item is generally considered an OTC purchase, a prescription will be required. You will be required to provide Businessolver with the prescription and an itemized receipt when you submit a claim for reimbursement.  
  
Most OTC drugs don't require a RX to purchase such items in general, but in order to have the expense reimbursed under the Flex plan; you have to provide a prescription for

For More Information: Health Care Flexible Spending Accounts: go to [www.irs.gov/publications/p502](http://www.irs.gov/publications/p502)

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expenses that normally can be purchased without one.

- **How can a gym membership be considered an eligible expense?** A letter of medical necessity would need to list the specific diagnosis, such as morbid obesity or some other diagnosis. Exercise for general health would not make gym memberships an eligible expense. Also for the gym membership to be eligible, the employee cannot be a member of a gym prior to the letter of medical necessity being written.
- **Is there an appeal process?** Yes. Businessolver will review and make a decision on all appeals.
- **If I have an expense that regularly occurs how would I be able to use my FSA to pay it?** A reoccurring expense could be something such as monthly orthodontic payments. You would need to submit a copy of the orthodontist contract showing what the monthly payments are going to be to Businessolver and the system can be set up to mark that amount from that provider as a reoccurring expense for the remainder of the plan year.
- **Can I use the FSA card to pay for items online or through mail order for pharmacy copays?** Yes, as long as the provider or vendor has their credit card system registered with a valid merchant category code. You

can use this card instead of using your own bank card.

- **If I finance my dependent's or my own orthodontia treatment, can I use the FSA card to pay the finance company? Can I be reimbursed what I may have already paid to the finance company?** If the orthodontia treatment cost is financed through a 3<sup>rd</sup> party such as a finance company, the orthodontic expenses can't be reimbursed. The agreement will have to be between the provider and the employee.
- **If I use my FSA card to purchase something that requires supporting documentation, are funds drafted from the FSA account and supporting documentation requested after the fact?** When you use the FSA card and the transaction is approved at the point of sale, the provider or vendor has received their funds and they will consider the transaction complete. If the amount of the transaction cannot be approved via the auto approval parameters that are coded in the system, Businessolver will request a copy of the itemized receipt or EOB for the transaction to verify that the transaction was for eligible expense.
- **Are there forms that must be submitted at year end when using an FSA, i.e. with taxes, etc.?** No, the pre-tax contributions toward the

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healthcare FSA plan will lower the taxable income listed on your W2.

- **What medical, dental, and vision care expenses are not eligible for reimbursement?** Some examples include: cosmetic procedures, teeth whitening, non-prescription sunglasses. Claims submitted before treatment occurs are not eligible for payment. All submitted expenses are reviewed for eligibility according to Internal Revenue Code.
- **How do I enroll in a Health Care Spending Account?** Open Enrollment for the 2016 Plan Year begins on Monday, November 16 and ends at midnight on Friday December 4. To enroll go to the Cooperative's new online benefits administrator: <https://fccbenefits.com>. You will need to register and then use the system to enroll. Additional information and direct deposit sign up forms will be available there and at [www.bewell.franklincountyohio](http://www.bewell.franklincountyohio).
- **How do I decide how much money to put into the Health Care Spending Account?** For help in making this decision, go to [www.bewell.franklincountyohio.gov](http://www.bewell.franklincountyohio.gov) to find a Flexible Spending Account Worksheet. There is a minimum annual deduction of \$120 and a maximum of \$1200 for 2016. Your monthly deduction will be split between the first and second pays

of the month. You can also find an online calculator at <https://fccbenefits.com> when you go online to enroll.

- **When can I start using my Health Care Spending Account funds?** The total dollar amount you elected is pre-funded into your account at the start of the year. Payroll deductions to collect the funds will be made throughout the year.
- **How do I use the Health Care Spending account to pay for or be reimbursed for payment of eligible medical expenses?** **Debit Card:** Once you enroll you will receive a "denim blue Flexible Spending Account Debit MasterCard" in a non-descript envelope. PLEASE DO NOT DISCARD!

It will be active with the first use, after December 31<sup>st</sup>.

**Paper claim:** You may also submit a claim form with documentation via e-mail, fax, or US Mail to our claims administrator for reimbursement:

**Email:**

[Flexadministration@businessolver.com](mailto:Flexadministration@businessolver.com)

**Fax Number:** 855-883-8542

**US Mail:**

*Businessolver Flex Administration*

*Claims Processing*

PO Box 65948

West Des Moines, IA 50265

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**For claims inquiries call toll-free:  
(855)883-8541.**

- **How will I receive my payment if I submit a manual paper claim form?** There are 2 ways to receive a payment: 1. Direct Deposit into your checking or savings account if you elect to sign up for direct deposit or 2. You may elect to receive an actual check via U.S. mail.
- **May I hold on to all of my out-of-pocket healthcare claims until the end of the year and then submit for reimbursement?** You may submit claims at any time during the year for services that have been incurred during the plan year. The run-out period for reimbursements ends on March 31 of the next year.
- **How will the card system know if I am trying to use the debit card to buy an ineligible item?** Retailers use a technology called IIAS that stands for Inventory Information Approval System. It ensures that health care FSA debit cards, only work for eligible expenses under IRS regulations. Every item in the store's scanner database is flagged "yes" or "no" for plan eligibility at the point of sale.
- **When can I make changes to my Health Care Spending Account election amount?** The next opportunity to make changes will be during Open Enrollment in November 2016. If you experience a Qualifying Life Event (marriage, birth, adoption, divorce, or death) during the year you may be able to make a change. Your change must be consistent with the qualifying event.
- **What happens if I do not spend all of the money in time?** Money left in your account after the end of the 90-Day run-out period cannot be refunded to you; this is referred to as the "Use-it or lose-it rule".
- **If I were to end my employment before December 31 and become eligible for COBRA benefits coverage can I continue to contribute to my healthcare FSA?** Yes, you would make after tax payments to the COBRA administrator, who would notify the Flex team that you have made a payment to remain active in the Flex plan for another month. The downside would be that if you decide to remain active in the HCFSA plan through COBRA through the end of the plan year, you would be contributing 102% to receive 100% in reimbursements.
- **Would I have the option of continuing to use what funds are remaining in my HCFSA?** You would be eligible for FSA COBRA if they have contributed more to the healthcare FSA than they have been reimbursed at the time they lose coverage.

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- **What happens to the money if I terminate my employment?** Your final paycheck will have the normal deduction and your participation will end. You may be reimbursed only for services incurred on or before your termination date.
- **When is an expense considered incurred?** This is when the service is actually provided, not when you are billed or pay for services.