

Healthcare FSA: Frequently Asked Questions

What is a Flexible Spending Account (FSA)?

An FSA is an employer-sponsored plan that allows you to deduct pre-tax dollars from your paycheck and deposit them into a special account that's protected from taxes.

What is a Healthcare FSA?

A Healthcare FSA 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.

Why should I enroll in a Healthcare 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.

How does the pre-tax deduction work?

Your election amount will be deducted from your paychecks equally throughout the year. 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.

Are there any forms that must be submitted at year end when using a Healthcare FSA, i.e. with tax return?

No, the pre-tax contributions toward the Healthcare FSA plan will lower the taxable income listed on your W2.

Who is eligible to use the Healthcare FSA?

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 Improvement Program or not.

How do I enroll in a Healthcare FSA?

You may enroll in the Healthcare Flexible Spending Account each year during Open Enrollment. Certain Qualifying Life Events also provide the opportunity to make changes to your plan. Your change must be consistent with the Qualifying Life Event. To enroll or make changes to your plan login to the benefit enrollment site at <https://fccbenefits.com>. The company key is fcc (all lowercase.)

How do I decide how much money to put into the Healthcare FSA?

There is a minimum annual deduction of \$120 and a maximum of \$3,300. Your monthly deductions will be split up into equal payments throughout the year.

When can I start using my Healthcare FSA funds?

The total dollar amount you elect is pre-funded into your account at the start of the year, or on your benefits effective date. Payroll deductions to collect the funds will be made throughout the plan year.

What types of medical expenses are eligible for reimbursement?

Examples include annual deductibles, office visit and prescription co-pays, dental and orthodontia expenses, vision-related expenses including laser eye surgery. Review the FSA Eligible and Ineligible Expense List at: www.wexinc.com/resources/benefits-toolkit/eligible-expenses/

Can I utilize my Healthcare FSA funds to purchase Over the Counter (OTC) medications?

Yes. Over the Counter (OTC) medications and menstrual care products are considered eligible expenses. A prescription from your doctor is not required.

When is an expense considered incurred?

This is when the service is actually provided, not when you are billed or pay for services.

Can a gym membership be considered an eligible expense?

Yes. You must submit a letter of medical necessity that lists the specific diagnosis, such as obesity. Gym Memberships are not an eligible expense for general health and wellness. 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.

How do I use my FSA to pay for a recurring expense? The system can be set up to mark the amount from a provider for a recurring expense, such as a monthly orthodontic payment. You need to submit a copy of the orthodontist contract showing the monthly recurring payments.

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If I finance 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?

No. If the orthodontia treatment cost is financed through a 3rd party, the orthodontic expenses cannot be reimbursed.

What medical, dental, and vision care expenses are not eligible for reimbursement?

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 use the Healthcare FSA to pay for eligible medical expenses?

Once you enroll you will receive a silver WEX Benefit Debit VISA card in a discreet envelope. You may pay for eligible medical expenses with your VISA Debit card. You may also submit a claim form with documentation to your claims administrator for reimbursement.

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.

Do I need to submit supporting documentation when I utilize my FSA debit card?

Sometimes. 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, the FSA Administrator will request a copy of the itemized receipt or EOB for the transaction to verify that the transaction was for an eligible expense.

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 Healthcare FSA debit cards only work for eligible expenses under IRS regulations. Every item in the store's database is flagged "yes" or "no" for plan eligibility at the point of sale.

Please refer to the IRS for more information:

Health Care Flexible Spending Accounts: go to www.irs.gov/publications/p502

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When does my FSA debit card expire?

Your FSA debit card expires every three (3) years.

How do I submit a claim form for reimbursement?

Log into <https://fccbenefits.com> and select *Click here to access your FSA account* or use the WEX benefit Mobile App to submit your claim electronically or you may submit a claim form with documentation via e-mail, fax, or U.S. Mail.

Email: forms@wexhealth.com

Fax Number: 866-451-3245

U.S. Mail: WEX

PO BOX 2926

Fargo, ND 58108-2926

How will I receive my payment if I submit a manual paper claim form?

There are two (2) ways to receive a payment:

1. Direct Deposit into your checking or savings account
2. Check via U.S. Mail

Who do I contact for questions regarding claim inquiries?

For claims inquiries please contact the FSA Administrator WEX toll-free at 866-451-3399.

Is there an appeal process?

Yes. The FSA Administrator, WEX, will review and make a decision on all appeals.

What is the run-out period for submitting claims for expenses I pay for during the FSA calendar year?

Claims for expenses that were incurred or took place in the FSA calendar year may be submitted for reimbursement until March 31 of the next year.

What happens if I don't spend all the money in my Healthcare FSA?

Up to \$660 of your unused Healthcare FSA funds will roll over to the next plan year. You will forfeit any amount above \$660 left in your account at the end of the 90-day runout period. This is referred to as the "Use -it or Lose-it" rule.

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What are rolled over Healthcare FSA funds?

Rolled over funds from your Healthcare FSA are funds you had left in your FSA account from the previous plan year, after the 90-day run out period. During your run out period, you are still able to submit claims from the previous plan year. After that, the amount you have left, up to \$640, is considered your rolled over Healthcare FSA funds.

How do I use my Healthcare FSA funds that rollover? You will automatically begin using your rolled over funds on April 1st, after the previous year's 90-day run out period. You will have until the end of the plan year to utilize your roll over funds from the previous year.

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 FSA plan for another month. The downside would be that if you decide to remain active in the HCFSAs 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 HCFSAs?

You would be eligible for FSA COBRA if you have contributed more to the Healthcare FSA than you have been reimbursed at the time you lose coverage.

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. The run-out period for mid-year terminations is 90 days post termination date of benefits.