

Easy Access to Your Flexible Spending Account Dollars

Flex Prepaid Card



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Frequently Asked Questions

General Questions on Your Avera Health Plans Prepaid Visa® Card

1. What is the Avera Health Plans Prepaid Visa® Card?

The Avera Health Plans Prepaid Card is a special-purpose Visa® Card that gives you an easy, automatic way to pay for eligible health care/benefit expenses. The Card lets you electronically access the pre-tax amounts set aside in your Flexible Spending Account (FSA). The Card also may be referred to as the Flex Prepaid Card.

2. How does the Flex Prepaid Card work?

It works like a Visa® Card, with the value of your FSA contribution stored on it. When you have eligible expenses at a business that accepts Visa debit cards, you simply use your Card. The amount of the eligible purchases will be deducted – automatically – from your account and the pre-tax dollars will be electronically transferred to the provider or merchant for immediate payment.

3. How does the Flex Prepaid Card change how I am reimbursed for expenses?

Before the Flex Prepaid Card became available, you had to pay for your eligible expenses at the time of purchase, submit claim forms along with all receipts and then wait for the reimbursement to be processed. Checks were issued and mailed to you then you cashed the checks. In essence, you “paid twice” – through payroll deduction and then at the point of sale – then you had to wait for reimbursement.

However, with the Flex Prepaid Card, you simply swipe your Card and the funds are automatically deducted from your benefit account for payment. The Card eliminates most out-of-pocket cash outlays and paperwork, as well as the need to wait for reimbursement checks.

4. Is the Flex Prepaid Card just like other Visa® Cards?

No. The Flex Prepaid Card is a special-purpose Visa Card that can be used **only** for eligible health care/benefits expenses. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

5. How many Flex Prepaid Cards will I receive?

You will receive two Cards. If you want additional Cards for other family members, you should contact Avera Health Plans.

6. Do I need a new Flex Prepaid Card each year?

No. As long as the FSA remains part of your benefit plan and you elect to participate each year, the Flex Prepaid Card will be loaded with the new annual election amount at the start of each plan year.

7. What if my Flex Prepaid Card is lost or stolen?

You should call Avera Health Plans to report a lost or stolen Card as soon as you realize it is missing, so the Administrator can turn off your current Card(s) and issue replacement Card(s). A fee of \$10 will be charged for each replacement card.

Getting Started and Activating Your Card

1. How do I activate my Card?

You should call the toll-free number on the activation sticker on the front of the Card or visit the website on the back of the Card.

You can use both Cards once the first Card is activated – you do not need to activate both. You should wait one business day after activation to use your Cards. Each Card user should sign the Card with his or her own name.

2. What dollar amount is on the Flex Prepaid Card when it is activated?

For Health Care FSAs, the dollar value on the Card will be the annual amount that you elected to contribute to your FSA during your annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as you use your Card or submit manual claims. **It is especially important to be aware of account balances in order to avoid Card declines at the point of service.**

Using the Card

1. Where may I use my Flex Prepaid Card?

Your Flex Prepaid Card may be used to pay for eligible goods and services at providers and merchants that offer these goods or services and accept Visa[®] prepaid cards. You can find out additional information on where your Card can be used by visiting www.AveraHealthPlans.com for links to the IRS publications. You should be sure to review your current benefit plan or contact Avera Health Plans for a complete list of eligible expenses.

IRS regulations allow you to use your Card in participating pharmacies, discount stores, department stores and supermarkets that can identify FSA-eligible items at checkout. You can find out which stores are participating by visiting the website on the back of your Card or contacting Avera Health Plans.

You cannot use your Card at pharmacies, discount stores, department stores and supermarkets that do not participate, even if you have used your Card at these stores in the past. The Card transaction may be declined. You can continue to use your Card at health care providers, such as hospitals, doctors and dentists.

2. May I use my Flex Prepaid Card for dependent care expenses?

You cannot use the Flex Prepaid Card for dependent care expenses. Dependent care reimbursement should continue to be submitted manually.

3. Are there places my Flex Prepaid Card won't be accepted?

Yes. The Card will not be accepted at locations that do not offer the eligible goods and services, such as hardware stores, restaurants, bookstores, gas stations and home improvement stores.

Cards will not be accepted at pharmacies, discount stores, department stores and supermarkets that cannot identify FSA-eligible items at checkout.

4. If asked, should I select "Debit" or "Credit"?

The Flex Prepaid Card is actually a prepaid card. But, since a "prepaid" selection is not available, you should select **"Credit."** You do not need a PIN and cannot get cash with the Flex Prepaid Card.

5. How does my Card work at participating pharmacies, discount stores, department stores and supermarkets?

- a. Bring prescriptions, vision products, over-the-counter products and other purchases to the register at checkout to let the clerk ring them up.
- b. Present the Card and swipe it for payment.
- c. If the Card-swipe transaction is approved (For example, sufficient funds are in the account and at least some of the products are FSA-eligible.), the amount of the FSA-eligible purchases is deducted from your account balance and no receipt follow up is required. The clerk will then ask for another form of payment for the non-FSA-eligible items.
- d. If the Card-swipe transaction is declined, the clerk will ask for another form of payment for the total amount of the purchase.
- e. The receipt will identify the FSA-eligible items and also may show a subtotal of the FSA-eligible purchases.
- f. In most cases, you will not receive requests for receipts for FSA-eligible purchases made in participating pharmacies, discount stores, department stores or supermarkets.

6. Why do I need to save all of my itemized receipts?

You should always save itemized receipts for FSA purchases made with your Flex Prepaid Card. You may be asked to submit receipts to verify that your expenses comply with IRS guidelines. Each receipt must show: the merchant or provider name, the service received or the item purchased, the date and the amount of the purchase.

7. What if I lose my receipts or accidentally swipe the Card for something that's not eligible?

Usually the service provider can recreate an account history and provide a replacement receipt. In the event that a receipt cannot be located, recreated or if the expense is ineligible for reimbursement, you can send a check or money order to Avera Health Plans for the amount so it can be credited back to your FSA account.

8. May I use the Flex Prepaid Card for prescriptions ordered prior to activating the Card?

No. Your Card must be activated prior to the order and purchase date of prescriptions. In some cases, you need to wait one business day after activating your Card to purchase prescriptions at your pharmacy. For example, if your Card is activated on Tuesday, a prescription can be ordered and picked up on Wednesday.

9. May I use the Flex Prepaid Card if I receive a statement with a Patient Due Balance for a medical service?

Yes. As long as you have money in your account for the balance due, the services were incurred during the current plan year and the provider accepts Visa debit cards, you can simply write the Card number on your statement and send it back to the provider.

10. How do I know how much is in my account?

You can view your account activity and current balance by visiting www.AveraHealthPlans.com. Or, you can call Avera Health Plans at the phone number on the back of the Card to obtain your current balance. You should always know your account balance before making a purchase with the Card.

11. What if I have an expense that is more than the amount left in my account?

By checking your account balance often – either online or by calling Avera Health Plans at the phone number shown on the back of the Card – you will have a good idea of how much is available. When incurring an expense that is greater than the amount remaining in your account, you may be able to split the cost at the register. (Check with the merchant.) For example, you may tell the clerk to use the Flex Prepaid Card for the exact amount left in your account, and then pay the remaining balance separately. Alternatively, you may pay by another means and submit the eligible transaction manually via a Claim for Reimbursement Form with the appropriate documentation to Avera Health Plans.

12. What are some reasons that my Flex Prepaid Card might not work at point of sale?

The most common reasons why a Card may be declined at the point of sale are:

- a. Your Card has not been activated.
- b. Your Card has been used before the 24-hour period after activation is over.
- c. You have insufficient funds in your employee benefit account to cover the expense.
- d. Non-eligible expenses have been included at the point-of-sale. (Retry the transaction with the eligible expense only.)
- e. The merchant is encountering problems (For example, coding or swipe box issues).
- f. The pharmacy, discount store, department store or supermarket cannot identify FSA-eligible items at checkout according to IRS rules.

13. Am I responsible for charges on a lost or stolen Flex Prepaid Card?

If Avera Health Plans and the issuing bank are notified within two business days, you will not be responsible for any charges. If the notification is after two days, you may be responsible for the first \$50 or more. Replacement cards may be purchased for \$10 each.

14. Whom do I call if I have questions about the Flex Prepaid Card?

Call Avera Health Plans at the phone number shown on the back of the Card.

15. Can I use the Flex Prepaid Card to access last year's money left in the account this year?

Claims using 2009 funds need to be submitted manually during the grace period. Because the Flex Prepaid Card is a new program, your Card only has funds available for 2010 FSA expenses. In 2011, you will be able to carry over your 2010 funds and use them during the grace period.

The IRS allows for a grace period in the current year to use up funds carried over from the prior year. Check with Avera Health Plans to find out how the grace period is handled for your specific program.

16. How will I know to submit receipts to verify a charge?

You will receive a letter or notification from Avera Health Plans if there is a need to submit a receipt. All receipts should be saved per the IRS regulations.

17. What if I fail to submit receipts to verify a charge?

If receipts are not submitted as requested to verify a charge made with your Flex Prepaid Card, then your Card may be suspended until receipts are received. You may be required to repay the amount charged. Avera Health Plans will advise you that your Card has been suspended, if a receipt is not received. Submitting a receipt or repaying the amount in question will allow your Card to become active again.