

# ASIFlex FSA Debit Card Explained



## How does the ASIFlex debit card work?

When you apply for an ASIFlex debit card, your card is programmed with the full amount in your flexible spending account for the entire plan year. This means if your annual contribution amount is \$1,000 for the plan year, your card will be programmed with \$1,000 on the first day of the plan year. (If you apply for the debit card after you have submitted claims for reimbursement, your card will be programmed for the remaining balance in your flexible spending account.)

The FSA debit card is swiped at a credit card machine like a normal Visa card. When the card is swiped, two things are checked: 1) available funds in your Health Care FSA account and 2) the Merchant Category Code (MCC) of the merchant you are purchasing goods or services from. If you do not have enough available funds on the card to cover the entire attempted transaction amount, the card will be declined. If you attempt to purchase a good or service at a vendor that does not have a MCC indicating it is a health care provider or at a merchant with an IRS-approved Inventory Control System (currently only Walgreens, with more to be added soon) the card will be declined. **Please note that even though the card is known as a debit card, you will have to select the "credit" option at the point-of-sale.**

## Where Does the Card Work?

The ASIFlex debit card is coded to only work at: 1) merchants that are set with a MCC code defining that purchase/service as a medical good or service, or 2) stores that have an Inventory Control System in place that confirms at the point-of-sale that any items that have been purchased are eligible for the Flexible Spending program.

## Merchant Category Code Restriction

There is not a way to tell prior to using the card whether the provider's machine is set as a medical provider. We have generally found that the card does work at most doctors, dentists, optometrists and hospitals. In most, if not all cases, *the card will not work at Safeway* (because it is a grocery store), but the card does work at Walgreens (because it is a pharmacy, not a grocery store). **In most cases, the card will not work at a grocery store or general merchandise store, even at their pharmacy counter.**

You can use your debit card at these vendors...	
Pharmacies	Health Clinics
Hospitals	Optometrists
Medical Laboratory	Physicians

But your debit card <u>may not</u> work at these vendors...	
Discount Stores	Grocery Stores
Supermarkets	Department stores
Wholesale Clubs	Other non-medical merchants

## Inventory Control System Restrictions

The IRS says that use of the FSA debit card is ok if it is at a grocery store or general retail outlet that confirms at the point-of-sale that any item that is purchased with the card is eligible for reimbursement. **Currently, this only pertains to Walgreens and Wal-Mart** (more large retail/grocery stores are expected to be added very soon). If you attempt to purchase Tylenol and a Coca-Cola with the same transaction at Walgreens or Wal-Mart, the FSA debit card will pay for the Tylenol and then ask you for a separate form of payment for the Coke. You should keep your receipts for all purchases made with the FSA debit card, but you should never have to submit a receipt for purchases made at Walgreens with your FSA debit card. As new merchants implement these systems, we will notify your employer.

## Do I have to file claims when I use my debit card?

It depends. If you use your debit card at a medical provider location where the dollar amount matches the known copay (your employer's insurance copay amount) for the treatment or service you received, you will not need to file a claim or send documentation. This includes copays for prescription drugs, up to five times the amount of the copay. So if you receive a five-month supply of a drug that costs \$10 per month, you can charge up to \$50 on your debit card without sending a claim. If you charge over \$50 on your debit card for this purchase, you must submit a claim form with documentation.

ASIFlex will let you know if you need to submit a claim form, so **keep all receipts for debit card purchases. Please do not submit documentation until you receive a notice asking for it, since some items don't require follow-up documentation. You will need to send this notice to ASI with the supporting documentation.**

## How do debit card purchases that don't match a known copay or aren't made at Walgreens affect my account?

If you make a purchase at a pharmacy or pay at a physician an amount different from your insurance copay, ASIFlex will immediately reduce your available FSA balance and show this on your ASIFlex account as a payment advance. ASIFlex will send you a notice asking for follow-up documentation to support the purchase you made with your debit card. When ASIFlex receives a copy of your notice back with substantiating documentation, your account will then go back to normal.

**Example 1:** Tom makes a purchase at Rite-Aid for \$12.74 in contact lens solution with his FSA debit card. Because Rite-Aid does not have a medical MCC code for the VISA system for their stores and does not currently have the Inventory Control System in place, the claim cannot be substantiated at the Point-of-Sale (POS). ASIFlex sends Tom a notice asking for follow-up documentation for the \$12.74 purchase. Tom faxes his receipt to ASIFlex, along with a copy of his ASIFlex notice, and his account advance is then resolved/supported.

**Example 2:** Tom pays his dentist \$700 for a crown, using his FSA debit card. ASIFlex sends Tom a notice asking for follow-up documentation for the \$700 purchase. Before Tom gets the detailed statement from his dentist, he submits a claim to ASIFlex for \$15 in over-the-counter medication. ASIFlex processes his claim, but no payment is issued that day. Instead, the amount ASIFlex is showing that Tom has been "advanced" is reduced from \$700 to \$685. The next week, Tom faxes the notice received from ASIFlex along with his itemized statement for the crown to ASIFlex. ASIFlex processes the supporting documentation for \$700, and Tom is issued a payment of \$15.

### **Will I benefit from using the ASIFlex debit card?**

Yes, if you have high out-of-pocket costs for prescription drugs, doctor or dentist visits, or hospital charges. You can use your debit card to pay for your copays at the time of service, instead of paying upfront, submitting a claim, and waiting for reimbursement. Additionally, while you will have to submit claims in many instances, using the FSA debit card allows you to utilize the funds from your pre-tax account, as opposed to paying with your personal debit or credit card. **The card is provided by your employer to increase convenience, but please don't forget that using the card doesn't mean you won't have to submit any claims for your FSA.**

### **Do I have to sign up for a Flex debit card?**

The debit card is optional. If you do want a card, you have to complete an application to get it. Otherwise, you can file claims and choose to either receive a reimbursement check or have ASIFlex deposit your reimbursement in your bank account. **When you sign up for the card, you will receive two debit cards automatically. Both cards will be in the participant's name.**

### **How will I know if the debit card will work at my doctor's office or pharmacy?**

You won't know until you receive a service or treatment from your provider. ASIFlex does not know which providers have an acceptable Merchant Category Code. However, if your card doesn't work at your doctor's office or pharmacy, you may still file a claim to receive reimbursement. Just let ASIFlex know whether you want a reimbursement check mailed to you, or deposited into your bank account.

### **How do I use the debit card when I receive care?**

You just swipe your debit card through the credit card machine, and select **"credit" (not debit)**. There is no PIN number for you to remember when using your card.

### **I just tried using the debit card, but it didn't work. Why not?**

Your debit card will not work if:

- ✓ You do not have enough funds in your flexible spending account to cover the cost of the transaction.
- ✓ You received care or treatments from a provider whose Merchant Category Code is a non-medical provider type. This could include grocery stores, general merchandise stores, and wholesale clubs (including most pharmacies located in these stores).
- ✓ You selected "debit" after you swiped your card in the credit card machine, and tried to enter a PIN number. Even though it's a debit card, **always** choose the "credit" option.
- ✓ Your card transaction is **more than \$2,500**. For security purposes, the card is restricted to a daily \$2,500 provider limit.

### **Does the ASIFlex debit card cost me anything to use it?**

There is an \$18 annual fee for the FSA debit card that may be deducted from your annual FSA balance at the beginning of the year. **(Please note that some employers do pay the debit card fees, depending upon the plan design; please check with ASIFlex if you have questions about this).** There are no refunds if you cancel the card. If you lose your card and request a new one from ASIFlex, a \$5 replacement card fee will be deducted from your FSA balance for the replacement card.

### **How do I cancel my debit card?**

Contact ASIFlex at 1-800-659-3035 or [asi@asiflex.com](mailto:asi@asiflex.com) to cancel your card.

### **Who can I contact if I have questions?**

If you have questions about using the card, contact ASIFlex at [asi@asiflex.com](mailto:asi@asiflex.com) or call or write to:

**1-800-659-3035**  
**Monday – Friday, 7 a.m. to 7 p.m. Central Time**  
**Saturday, 9 a.m. – 1 p.m. Central Time**  
**P O Box 6044**  
**Columbia, MO 65205-6044**



## ASIFlex FSA Debit Card Application

Please print all fields clearly to avoid spelling errors.

Initial request for employee debit card (select one)		Employer
Yes	No	

Name (Last, First, MI):		Social Security Number (must be included or no card will be issued):		
Street Address:	City:	State:	Zip:	
Daytime Phone:	Home Phone:	Date of Birth (must be included or no card will be issued)		
Email Address (must be included or no card will be issued)				

- ✓ You will be provided with two debit cards with each application that is submitted. Both FSA cards will be in the name of the actual FSA participant. You should receive your debit cards within 10-14 business days from when ASIFlex receives the application.
- ✓ Please note that as mentioned in the debit card overview section, you will be required to submit substantiating documentation for some debit card purchases. ASIFlex will notify you when follow-up documentation is required; until you receive this notification, please do not submit these follow-up claims.
- ✓ Even though the card is referred to as a “debit card” when you present the card at a merchant or a provider, you should select the “credit” option. There is no PIN number associated with this VISA card.

**I hereby state that the above information is accurate, to the best of my knowledge. Additionally, I certify that the FSA debit card will only be used to purchase eligible medical care expenses, as defined in Code §213(d) of the Internal Revenue Code and that I will not seek reimbursement from any other source for the expenses paid for with the FSA debit card.**

Participant's Signature:	Date:
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Fax Application, toll free, to: 1-866-381-9682  
or Mail to: ASI, PO Box 6044, Columbia, MO 65205-6044