

Flexible Spending Account (FSA) Debit Card – Frequently Asked Questions

The State of Rhode Island now offers the ease and convenience of a debit card to access your pre-tax amounts set aside in your Flexible Spending account. With the Debit Card from Cornerstone/TASC, you can pay for eligible products and services at any qualifying location where MasterCard® is accepted, including hospitals, physician offices, dental offices, vision service locations, and pharmacies (retail and online). Allowing you to use the card at the point of sale means you don't have to pay money out-of-pocket, complete a claim form or wait for a reimbursement.

1. What is the Debit Card?

The Debit Card is a special-purpose MasterCard® that gives you an easy, automatic way to pay for eligible healthcare expenses. The Card lets you electronically access the pre-tax amounts set aside in your Healthcare or Daycare FSA Expense Account.

2. How do I sign up for the Debit Card?

All participants who elect to participate in the Flexible Spending Account will automatically be enrolled and issued a Debit Card.

3. Will everyone receive a Debit Card?

Yes, every participant who participates in the Flexible Spending Account will receive a card.

4. How many Debit Cards will I receive?

You will receive one card. You can order an extra debit card for your spouse or other eligible dependents on the annual enrollment form, or via the customer service center at 1-800-720-4460. Each additional card will be issued in your dependent's name. The employee's card and one additional card are free. There is a fee of \$10 for any additional cards (which will be deducted from your FSA account).

5. What dollar amount is on the Debit Card when I receive it?

The dollar value on the Card will be the annual amount that you elected to contribute to your FSA Account during the annual benefits enrollment. It's from that total dollar amount that eligible expenses will be deducted as you use the Cards or submit manual claims.

6. How does the Debit Card work?

It works like a MasterCard®, with the value of your account contribution stored on it. When you have eligible expenses at a business that accepts MasterCard® debit cards, you simply use the 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/merchant for immediate payment.

7. Is the Debit Card just like other MasterCard® Cards?

No. The Debit Card is a special-purpose MasterCard® that can be used only for FSA-eligible items. It cannot be used, for instance, at gas stations or restaurants. There are no monthly bills and no interest.

8. Do I need a new Debit Card each year?

No, you keep your original Debit Card. As long you elect to participate each year, the Debit Card will be loaded with your new annual election amount at the start of each plan year.

9. Where may I use the Card?

The Card can be used at any qualifying location where MasterCard® is accepted including hospitals, physician offices, dental offices, vision service locations and pharmacies (retail and online). The Card also can be used to pay for eligible goods and services at providers/merchants that offer these goods or services and accept MasterCard® debit cards. IRS regulations allow you to use your Cards in participating pharmacies, discount stores and supermarkets that can identify FSA-eligible items at checkout.

10. Are there places the Card won't be accepted?

Yes. The Card will not be accepted where MasterCard® is not accepted. 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.

11. What if the doctor's office doesn't take credit cards?

In these instances, you will need to pay with cash or check and submit a manual claim. However, over 80% of all eligible transactions are electronic.

12. How will the Card work in participating pharmacies, discount 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 (e.g., there are sufficient funds in the account and at least some of the products are FSA-eligible), the amount of the FSA-eligible purchases is deducted from the 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 may also show a subtotal of the FSA-eligible purchases.

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

The Card is actually a signature-based card and should be swiped as a credit card at the terminal. You should select "Credit." You do not need a PIN # and cannot get cash with the Card.

14. Do I have to do anything after I use my Card? Is paperwork required?

Generally, you will not have to provide any additional substantiation after using your card. However, if you purchase items that cannot be automatically substantiated at the point of service you will receive a request from Cornerstone/TASC for supporting documentation.

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

You should always save itemized receipts for FSA purchases made with the 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.

16. How do Card purchases that are not electronically substantiated affect my account?

If the Card purchase cannot be automatically substantiated at the point of service, Cornerstone/TASC will send you a notice asking for supporting documentation for substantiation. If receipts are not submitted as requested to verify a charge made with the Card, then the Card may be suspended until receipts are received. You may be required to repay the amount charged. Submitting a receipt or repaying the amount in question will allow the Card to become active again.

17. What if I lose my receipts?

Usually the service provider can recreate an account history and provide a replacement receipt

18. What should I do if I accidentally use the card for an ineligible expense?

If this occurs, you will receive a notice from Cornerstone/TASC asking you to reimburse the account for the ineligible amount, or you can submit receipts for eligible expenses that have not been paid for with the debit card to offset the ineligible amount.

19. Can the Card be used for Over the Counter Drug purchases?

Yes, you may use your Card at discount stores and supermarkets that can electronically separate FSA eligible from non-FSA eligible items at checkout.

20. Can the Card be used for online or mail order purchases?

Yes. Simply enter your Debit Card MasterCard® number on the order form and submit it to the online or mail order company, just like any other MasterCard® transaction.

21. How can I use my card if I receive a bill from a provider at home?

Simply write your card number in the space provided on the bill and send it back to the provider, or give your card number to the provider over the phone.

22. May I use the 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 and the provider accepts MasterCard® debit cards, you can simply write the Card number on your statement and send it back to the provider. **The date of medical service rendered must be in the current plan year/grace period.**

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

Cardholders can find out their current account balance anytime online by logging in to their account at www.teamcornerstone.com/flexhelp or by calling 1-800-720-4460. From here, you can access your transaction history. If you are unsure how to login to your account, call 1-800-720-4460 for assistance. You should always know your account balance before making a purchase with the Card.

24. 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 Cornerstone at 1-800-720-4460 – 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 Card for the exact amount left in the account, and then pay the remaining balance separately. Alternatively, you may pay by another means and submit the qualified transaction manually via a claim form with the appropriate documentation to Cornerstone/TASC.

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

Your plan offers a grace period in the current year to use up funds carried over from the prior year. The grace period runs until September 15th. 2009/2008 account balances will need to be accessed via the manual claim process during the grace period. Eligible expenses purchased with the Card will be paid on a first in, first out basis in subsequent plan years.

26. What are some reasons that the 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. You have insufficient funds in your account to cover the expense.
- b. Non-qualified expenses have been included at the point-of-sale. (Retry the transaction with the qualified expense only.)
- c. The merchant is encountering problems (e.g. coding or swipe box issues).
- d. The pharmacy, discount store, department store, or supermarket cannot identify FSA-eligible items at checkout according to IRS rules.
- e. You are trying to use the Card at a merchant who is not an FSA approved vendor.

27. What do I do if my card is lost or stolen?

Lost or stolen cards must be reported to Cornerstone/TASC. You can do this online through the Cornerstone/TASC website or by calling customer service center at 1-800-720-4460. A replacement card will be ordered when you report your card lost or stolen. You will be charged a \$10 replacement fee which will be deducted from your FSA account.

28. Am I responsible for charges on lost or stolen Debit Cards?

If your card is lost or stolen, you will not be responsible for any charges.

29. Whom do I call if I have questions about the Card?

Call the customer service number located on your card (1-800-720-4460).

30. Can I submit claim forms with receipts instead of using the Debit Card?

Yes. Use of the Debit Card is optional. You can continue to submit paper claim forms (download from <http://www.employeebenefits.ri.gov/Documents/Medical%20Claim%20Form.pdf>).