

## EBS Flex Card

As part of your EBS Flexible Spending Account or Health Reimbursement Account program, you will receive the convenient, and easy to use, EBS Flex Card. The EBS Flex Card allows you to pay for FSA/HRA eligible services and items (and parking and transit expenses, if permitted by your employer) without incurring an out of pocket expense.

The Card works like a debit card, reducing the amount of your available account balance with each purchase. Since you pay for your allowable expenses at the point of service, you avoid the “traditional” payment method of paying out of pocket, completing and submitting a Claim Form (or submitting the claim on-line) and waiting for reimbursement.

However, it is important to remember that the IRS requires that *every* Flex Card transaction be substantiated to certify that the expense was actually for FSA eligible services or items. Substantiation can occur in one of two ways:

- 1. Auto-substantiation:** This means that the purchase is pre-coded with a bar code or SKU# as an approved item or service. Non-health care related merchants, such as grocery stores, drug stores, pharmacies, discount stores, warehouse clubs and convenience stores are required to have this type of inventory information approval system (IIAS) in order to accept Flex Cards. When services and items are approved at the point of sale using an auto-substantiation method, the IRS requirements have been met. However, you should always retain copies of all your receipts. *Note: Without an IIAS system, the Flex Card will not be accepted and the service or item will need to be paid for out of pocket, and you will need to submit a claim for reimbursement.*
- 2. Manual substantiation:** This means that the purchase was not able to be substantiated at the point of sale. While you were able to pay for your services and items with the Flex Card, to verify that the purchase is eligible under the terms of your FSA/HRA Plan, and within the IRS guidelines, EBS will request a copy of your receipt. It is important that you immediately comply with this request. Failure to comply can result in deactivation of the EBS Flex Card, repayment of the transaction amount or reclassification of the amount to taxable income.

### Here are some important tips to remember:

- Keep all receipts. This is the most important item to remember! When EBS requests a copy of your receipt, comply immediately. *Remember: The EBS Flex Card makes transactions cashless but not always paperless!*
- The EBS Flex Card will be mailed directly to your home address. Included with the Card is important and helpful information about how the card operates. Please be sure to fully read these materials and sign the Card as soon as it is received.
- The Flex Cards works like a debit card, but when prompted at payout, select “Credit”. No PIN is required. Do not use the Card prior to your participation effective date.
- The Flex Card is activated upon its first use. Retain the Flex Card from Plan year to Plan year as it is valid for three years. You will automatically receive a new Card at the appropriate time.
- If you inadvertently pay for a non-allowable expense with the Card, you will be required to re-pay the amount. The amount will then be returned to your account.
- At merchants with an IIAS system, your eligible items and non-eligible items will total separately. You can pay for your eligible items with the Flex Card, and you will be asked for another form of payment for the non-eligible items.
- The IRS states that services are eligible for reimbursement *after* the services have been rendered. This means that you cannot use your Flex Card to pre-pay for services such as weight loss, fitness memberships or massage therapy (remember: you may first need a Certification of Medical Necessity from your physician for these types of services to be allowable).
- If you forget your EBS Flex Card, or it is not accepted at the time of payment, simply use another form of payment and submit a claim for reimbursement with either a paper claim form or on-line at [www.myesbsaccount.com](http://www.myesbsaccount.com).
- Replacement cards, or additional cards for your dependents, can be requested by completing the “Additional EBS Flex Card Request Form”.
- Monitor your account frequently on-line. Report any potential fraudulent activity immediately to EBS.
- If you lose your Card, call EBS’ Customer Service Center at 1-800-327-7130 as soon as possible.