

Flex Plan News

Benefits News for Administrators

February 2007

Debit Card News: Wal-Mart Added As Sixth Merchant with Inventory Adjudication System for Card Purchases

Card swipes will be auto-adjudicated for eligible FSA expenses

Our Flex Debit Card vendor has announced that Wal-Mart has implemented (effective January 27) an inventory-based adjudication system that allows mySourceCard purchases to be auto-adjudicated for eligible FSA purchases. When participants make eligible purchases at Wal-Mart, they will not need to submit documentation to verify the claim.

According to IRS guidance issued in 2006, electronic payment cards can be used at merchants that have Inventory Information Approval Systems in place to ensure that cards are used only for eligible medical expenses. The inventory-based system electronically tracks and verifies that items are FSA-eligible, allowing only those items to be charged on the flex debit card. Wal-Mart is one of 6 merchants that have the inventory-based system for auto-adjudication that works with mySourceCard. The others are Walgreens, DrugStore.com, VisionDirect.com, LensMart.com, and LensQuest.com.

For each of the merchants with the inventory-based system, participants do not have to separate items at checkout before swiping the flex debit card. The system will track which items are FSA-eligible, separate them out of the total bill (if participant is buying a combination of eligible and ineligible items), and the card can be swiped for the FSA items based on the total given. The participant may then pay for any non-FSA items with standard methods of payment. If you have any questions about auto-adjudication, please contact us.

Note: ProBenefits does not endorse or recommend Wal-Mart over any other retail merchants. We simply want plan sponsors to be aware of the status and resources of the debit card system in order to promote education and efficient use by participants.

Claim Runout Period Ends March 31 For Calendar FSA Plans

A reminder that for calendar year plans, the 90-day claim runout period ends Saturday, March 31. All participants should turn in claims no later than March 31 for reimbursement from 2006 plan year contributions. Of course, all expenses have to have been incurred during the plan year (or grace period, if applicable) to be eligible for reimbursement.

Once ProBenefits has processed all 2006 claims, a final Account Balance Report will be provided for the 2006 plan year.

ProBenefits Online For Administrators and Participants

In 2006, we launched a new proprietary online account system for use by administrators and participants. This secure website allows administrators and employees to access their accounts anytime, and includes important information regarding billing, account balances, plan design, claim status and reimbursement, and other information that allows users to understand and manage their accounts. As an administrator, you have access to all plan information and reports, including payment registers, account summaries, and documents. If you have not set up an account or used the site, visit online.probenefits.com (linked from our main site), or contact a member of our staff.

Quickie Q&A: Are travel expenses for medical care reimbursable?

Travel expenses for medical care are reimbursable, subject to certain IRS limitations. The person traveling to receive medical care can be reimbursed for direct expenses for car, airfare, taxi, etc. Alternatively, the patient may be reimbursed a flat mileage rate (\$0.20 for 2007) for personal vehicle travel. Lodging may be reimbursable, depending on the facts. Meals and travel expenses of a person traveling with the patient are typically not reimbursable. Contact us for more details.

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