As an FSA debit card holder, you have the convenience of using your card for all eligible out-of-pocket medical, dental, vision, pharmacy and over-the-counter (OTC) expenses. The IRS does require that you retain all receipts for all expenses paid from your FSA.

The IRS has provided additional guidance as to how health care provider FSA debit card transactions (medical/dental/pharmacy/vision) need to be substantiated. In order to help keep your plan in compliance, your FSA debit card transactions are subject to the following substantiation processes.

**Pharmacy and OTC expenses**

Use your card at an Inventory Information Approval System (IIAS)-compliant merchant for 213(d) eligible over-the-counter (OTC) items and prescriptions. Merchants who have this system in place will be able to accept your debit card for FSA-eligible expenses. Your purchase will be automatically substantiated at the point of sale. Please contact UMR customer service for assistance in identifying IIAS-compliant merchants.

As of July 1, 2009, your card now declines if the merchant has not implemented IIAS or has not certified that they meet the 90% IRS gross receipt test. You can still pay for your FSA-eligible items by another means and submit these expenses with a health care FSA claim form to receive your reimbursement. The IIAS is not required for your medical, dental and vision care providers.

**Medical, dental and vision care providers**

You can also use your card for any out-of-pocket medical, dental and vision expenses that you or your eligible dependents have incurred during your FSA plan year. The IRS does require that all card transactions must be substantiated either by electronic or manual means. UMR does use all IRS-approved auto-substantiation methods in an effort to minimize your need for manual follow-up.

**There may be times when UMR requires your assistance in substantiating your card transactions. This may occur for several reasons:**

- The card swipe cannot be substantiated via any of the automatic methods applied for your plan.
- The card was used for a service not incurred during the plan year in which you used the card.
- Prescription or over the counter purchases that were made at a merchant who is certified via the 90% IRS gross receipt test. These purchases do not substantiate at the point of service.
- Services incurred were for an FSA-eligible dependent not on your medical and/or dental plan with UMR. In this situation, you will be required to submit documentation for all card transactions that occur for dependents not on your UMR medical and/or dental plan.
- The card was swiped one time for multiple dates of service at your medical and/or dental provider. In order for the transaction to be substantiated via the automatic methods, the card must be swiped for the individual dates of service.
In the event UMR is unable to auto-substantiate a card transaction for you, a first substantiation request letter will be mailed to your home. If we do not receive appropriate documentation within 30 days after the first letter, a second letter will be mailed to your home. If no documentation is received 30 days after the second letter, you will receive notification advising you that your debit card privileges have been suspended.

When documentation is received from you, we have to make a determination based on what is received. If the determination is that the transaction is ineligible, the card will suspend immediately and an ineligible letter will be mailed to you. If for any reason additional information is needed after receiving your documentation, you will receive a request for more information (RMI) letter. You will have 30 days from the date on the RMI letter to send in the needed information before your card is suspended.

You still have access to your available FSA dollars by submitting paper claims with documentation, however, paper claims will be used to offset any transactions in an unsubstantiated/ineligible status.

Unsubstantiated and ineligible transactions can be cleared by:
- Submitting appropriate documentation
- Submitting a paper claim for offset
- Repaying the plan
- Having a merchant do a purchase return to credit the card back

You will receive a reinstatement notice advising you that your debit card privileges have been reinstated once all improper transactions have been cleared.

If you have any questions regarding your debit card, please contact UMR customer service at 1-866-868-0145.

**Card usage tips**
Here are a few tips to make using your FSA Debit Card easier while adhering to the IRS regulations.

Save ALL receipts for all expenses paid from your FSA. Keep the receipts with your tax documents for the appropriate tax year.

In regard to eligible services and documentation requirements, the expense must be a health-related expense incurred by you or one of your tax dependents. This means amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure of the body. Expenses must be medically indicated and not for cosmetic purposes or general good health.

Your documentation request letter must accompany any documentation you submit to UMR.
Please adhere to the following **Dos and Don’ts** when submitting documentation:

<table>
<thead>
<tr>
<th><strong>DO</strong></th>
<th><strong>DON’T</strong></th>
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<tbody>
<tr>
<td>• Send an itemized bill showing the dates of service, type of service,</td>
<td>• Submit cancelled checks or debit card receipts alone. These are not</td>
</tr>
<tr>
<td>provider name, patient’s name, amount of service and patient financial</td>
<td>adequate documentation without supporting itemization.</td>
</tr>
<tr>
<td>responsibility after any applicable insurance payment</td>
<td>• Submit balance forward statements.</td>
</tr>
<tr>
<td>• Send a copy of an explanation of benefits (EOB) from any insurance</td>
<td>• Submit bank statements</td>
</tr>
<tr>
<td>plan under which the expense is covered. When applicable your insurance</td>
<td>• Highlight names, prices or dates on receipts. They are not legible when</td>
</tr>
<tr>
<td>claim must be finalized prior to submitting your documentation.</td>
<td>scanned.</td>
</tr>
<tr>
<td>• Send the documentation on white paper. Carbon copies and colored</td>
<td>• Submit handwritten receipts for prescriptions or over-the-counter items.</td>
</tr>
<tr>
<td>paper are not legible when scanned.</td>
<td>• Submit pre-treatment estimates or estimated insurance statements.</td>
</tr>
<tr>
<td>• Tape small receipts to a standard 8.5” x 11” sheet of blank paper.</td>
<td>• Submit date expense was paid, except for orthodontia payments.</td>
</tr>
<tr>
<td>Ensure print is legible.</td>
<td></td>
</tr>
<tr>
<td>• Make a copy of the request letter and documentation for your personal</td>
<td></td>
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<td>records.</td>
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Actual dates of service must be indicated on the documentation. Services paid for with the card must be incurred during the plan year in which the card was swiped.

Over-the-counter items in the following categories require a Dr’s prescription in order to be eligible for reimbursement from the FSA. You will have to pay out of pocket for these items and submit a signed claim form, the itemized receipt and a copy of the Dr’s prescription to request reimbursement.

- Acid controllers
- Allergy & Sinus
- Antibiotic products
- Anti-diarrheals
- Anti-gas
- Anti-itch & insect bite
- Antiparasitic treatments
- Baby rash ointments/creams
- Cold sore remedies
- Cough, cold & flu
- Digestive aids
- Feminine anti-fungal/itch
- Hemorrhoid preps
- Laxatives
- Motion sickness
- Pain relief
- Respiratory treatments
- Sleep aids & sedatives
- Stomach remedies
- Antiparasitic treatments
A letter of medical necessity (LOMN) is additional documentation needed when an item normally not considered eligible is needed to treat a specific medical condition. This letter would need to be completed by your provider stating which service or item is needed and for what type of condition. Generally, LOMNs are required annually and are needed for the following types of expenses:

- Vitamins or supplements
- Health club memberships
- Massage therapy
- Weight loss programs, including some food items

If you are not sure if a service or item will be covered, please contact UMR customer service at 1-866-868-0145.