BAS
Benefits Debit Card FAQs

The Wex Health™ Prepaid Benefits Card and Your FSA

This Technical Bulletin is intended to provide useful information about using the Wex Health Pre-Paid Benefits Card to pay for eligible expenses that can be reimbursed from your health Flexible Spending Account plan (FSA).

Q. What is the Debit Card?

A. The Wex Health Pre-Paid Benefits Card is a special-purpose MasterCard® called "The Debit Card" that gives you an easy, automatic way to pay for qualified health care expenses that are eligible to be reimbursed through your Flexible Spending Account plan. The Debit Card lets you access the pre-tax dollars you set aside in your FSA and use those dollars to pay for your eligible, reimbursable expenses.

Q. How Does the Debit Card Work?

A. It works like a MasterCard®, with the value of your account(s) contribution stored on it. When you have eligible expenses at a business that accepts MasterCard® debit cards, simply use your Debit Card to pay for those expenses. The amount of your eligible purchases will be deducted - automatically - from your FSA and the pre-tax dollars will be electronically transferred to the provider/merchant for immediate payment.Please note that even though your Debit Card swipe pays for your charge at the provider/merchant, the payment does not necessarily mean that the expense is approved as an eligible FSA expense. In many circumstances, you must submit supporting documentation to verify your Debit Card payment. This is the case even if the charge is processed and the provider/merchant receives payment.

Q. How Does the Debit Card Change How I am Reimbursed for FSA Expenses?

A. With the Debit Card, you simply swipe the Card and the funds are automatically deducted from your FSA. You must retain your receipts (provider receipts, not just credit card receipts) for all of your Debit Card purchases. The benefit of the Debit Card is that it eliminates most out-of-pocket cash outlays and you do not have to wait to receive reimbursement checks.

Q. Why Should I Save Receipts and Other Documentation for All Purchases Made with the Debit Card?

A. The IRS requires that every transaction made with any type of Flexible Spending Account prepaid debit card, like your Debit Card, must be substantiated in order to confirm that the cardholder is using the Card to pay for an eligible FSA expense. The IRS considers many expenses paid with the Debit Card to be automatically substantiated at the point of sale. For example, if you use your Debit Card to pay a copayment amount for a prescription, the expense may be automatically substantiated if your plan's copay amount is identified in the Debit Card System. In this instance you do not have to separately submit a receipt for the copayment amount for substantiation.

Many expenses cannot be substantiated at the point of sale, and IRS regulations require cardholders to submit supporting documentation in order to verify the transaction. Examples of expenses that may not automatically substantiate include dental, chiropractor and physician office visits where the amount paid is not equal to an established copay amount that is recognized in the Debit Card System, and situations in which you charge more than on copay expense in the same Debit Card swipe.

If you use your Debit Card for an expense that cannot be automatically substantiated at the point of sale, the merchant will be paid for the expense, but you MUST provide documentation to verify that the purchase is an appropriate FSA expense.

You will be required to submit substantiation to Benefit Allocation Systems, LLC. ("BAS") in order to validate the eligibility of the expense in accordance with IRS guidelines.

Q. What is Appropriate Substantiation?

A. The Internal Revenue Service imposes certain rules on FSA contributions and distributions as a condition of allowing participants to receive the tax-favored benefits of FSA participation. One of those restrictions is that all FSA claims must be substantiated with supporting documentation that meets certain requirements. Appropriate substantiation includes the merchant or provider name, the service received or the item purchased the date, and the amount of the purchase. Explanation of Benefits (EOBs) and other provider documentation may also be used as verification of an expense. Cancelled checks, handwritten descriptions of charges, card transaction receipts or previous balance receipts cannot be used to verify an expense.

Medical Service – An itemized receipt/statement or an EOB from the insurance company or health care provider should include: Patient Name; Provider Name; Date of Service; Description of Service (or procedure code); Amount Paid. A Credit Card receipt from your Debit Card swipe is not sufficient.

Medical Item – Examples of a medical item include nonprescription reading glasses, bandages for a current wound, contact lens solution, etc. A proper receipt should include: Merchant Name; Date of Purchase; Description of Item; Amount Paid. A Credit Card receipt from your Debit Card swipe is not sufficient.

Prescription – Documentation for a prescription should include: Name of Patient; Name of Pharmacy; Date (fill date); Prescription Number or Name; Amount Paid. A Credit Card receipt from your Debit Card swipe is not sufficient.

Q. How Long Do I Need to Save My Receipts and Other Documentation?

A. You should save all of your receipts and other documentation for as long as you would save documentation for your tax return. Consider keeping all information in one place so it is readily available upon request.

Q. What if I Lose My Receipts or I Accidentally Swipe the Card for Something That's Not Eligible?

A. Usually the service provider can recreate an account history and provide replacement documentation. Insurers can generally issue a replacement EOB. In the event that documentation cannot be located, recreated, or if the expense is ineligible for reimbursement, you can send a check or money order to BAS for the ineligible amount so it can be credited back to your FSA. If this applies to you, please call BAS for more information.

Q. How Will I Know to Submit Documentation to Verify a Charge?

A. If there is a need to submit a receipt or other documentation, you will receive an email from @wexhealth.com. The email will include an attachment with more information. Please DO NOT ignore emails you receive from Debit Central. You must respond to the emails from Wex Health in order to complete the process for documenting unsubstantiated expenses paid with your Debit Card, as per the Card use agreement you received when you activated the Card. If you do not have an email associated with your account, you will receive the notifications through regular mail.

The majority of notifications will be sent each month for services rendered the prior month. However, **ALL** receipts should be saved per the IRS regulations as there may be instances in which you may have to submit documentation outside of the monthly notification.

Q. What if I Fail to Submit Documentation to Verify a Change?

A. If you do not submit documents to verify an unsubstantiated charge made with the Debit Card, then the Card will be suspended until proper documentation is received and the charge is substantiated. If it cannot be substantiated, you will be required to repay to your FSA the amount charged. BAS will advise you that your Debit Card has been suspended if the documentation is not received when required. Submitting the appropriate documentation or repaying the amount in question will allow the Debit Card to be reactivated.

Q. What is the Documentation Request Processing Schedule for Unsubstantiated Claims?

A. If you use your Debit Card for an expense that cannot be automatically substantiated, you will be asked for more information as follows:

- Wex Health Central will send you a letter requesting supporting documentation for the expense. If you have a valid email address entered into MyEnroll, you will receive the letter by email (from @wexhealth.com). If you do not have an email address associated with your account, the letter will be mailed to your home address.

- You will have 30 days to respond to the request for documentation. If your response is not received within 30 days, your Debit Card will be suspended and you will receive another notification again asking for supporting documentation. ***Please note that you may continue to submit paper claims while the card is suspended.***
- Your card will remain suspended until you provide adequate documentation, or until you repay your account with after-tax dollars.
- If you provide additional documentation, that documentation will be reviewed to determine if the expense can be properly paid from your FSA. If it is determined that the expense can be properly paid from your FSA, the claim will be substantiated and your Debit Card will be reactivated. If after review of the documentation you submit, it is determined that there is not sufficient information to substantiate the claim, you will be sent another notification requesting more information. You will have 14 days to respond to the request for more information.
- If, based on all of the information you provide, it is determined that the expense is not an eligible expense, you will receive a notice asking you to send a check in the amount of the expense to reimburse your FSA. When BAS receives the repayment and your FSA is reimbursed for the ineligible expense, your account will be credited and your Debit Card will be reactivated.
- If you do not respond to the Wex Health notifications within the identified timeframes, or if you do not repay an expense that is determined to be an ineligible expense, your Debit Card may be permanently suspended and will not be reactivated.

If you have questions about your Debit Card or your FSA program, please contact us at 1-800-945-5513 or Info@BASusa.com. Your questions and feedback are important to us.