



Frequently Asked Questions about Your Preferred Administrators Flexible Spending Account (FSA) Debit Master Card

Q: What is the FSA Debit MasterCard?

A: The FSA Debit MasterCard is a special purpose financial debit card linked to your Health Care Flexible Spending Account (FSA). This card cannot be used for your Dependent Child/Adult Day Care.

Use your FSA Debit MasterCard to quickly and conveniently draw funds from your FSA to pay for eligible expenses such as: pharmacy prescription co-payments, doctor office visit co-payments and eligible over-the-counter health care items.

Q: How long does it take to receive my FSA debit card?

A: For new users, you should receive your new FSA debit card in the mail within 7-10 business day from your plan year start date October 1st. For existing users, you can continue to use your same FSA card until it expires and a new one will be mailed to you. If you placed an order for a dependent or replacement card, it can take also 10 business days for your debit card to be mailed.

Q: How does the FSA Debit MasterCard Work?

A: Your FSA Debit MasterCard allows you to access health care FSA funds at the time of purchase. However, limitations still exist that prevent all FSA debit card transactions from being electronically substantiated and additional documentation will be necessary to confirm that a transaction was for a qualified medical expense.

Card transactions are validated once payment is made, to ensure conformance with IRS guidelines and your employer's specific plan. Once the card transaction is completed and you sign your receipt, funds from your FSA are automatically transferred to the merchant, physician or other health care vendor (or facility).

Preferred Administrators will be using the Inventory Information Approval System (IIAS) to validate your FSA purchase. The IRS requires select retailers- including pharmacies, supermarkets, grocery, discount stores, wholesale clubs and mail-order merchants, to identify health-related items at the point of sale using the inventory information Approval system (IIAS). IIAS makes it possible to identify Card Transactions at the check-out counter. This insures that you can only use the Card for eligible items, and does away with the need to submit receipts for verification after the purchase.

Q: How do I activate my FSA Debit Card?

A: Your card will be automatically activated on the first use.

Q: If asked to enter “debit” or “credit” at a MasterCard terminal, which one do I choose?

A: Select credit, even though it says debit on your Card. Your Card does not require a PIN (Personal Identification Number) for processing.

Q: What expenses are eligible for use with my FSA Debit Card?

A: Generally, your card can be used to pay for:

- Pharmacy prescriptions co-payments
- Co-payments at your doctor’s office
- Certain over-the-counter health care items
- Coinsurance, deductible or other out-of-pocket expenses for medical, dental and vision expenses (after your claim has been processed by your medical, dental or vision plan).

Consult your enrollment materials or log on to www.preferredadmin.net to familiarize yourself with services, locations, and products that are eligible for use with your FSA Debit Card. It is very important to review these materials thoroughly.

Q: Do all FSA Debit Card purchases have to be substantiated?

A: Yes, because health accounts use pre-tax money, all FSA debit card transactions must be substantiated to confirm that the items you buy are eligible to be paid for from the account. Some Debit Card transactions can be verified electronically at the point of purchase, but others require that you submit written documentation to support your purchases.

Q: How do I use my FSA Debit Card at the pharmacy?

A: Present your Card at the drug store to pay the amount you owe for your prescription co-payment. Sign the receipt to show your agreement with the charge and to acknowledge that you are using your Card for an eligible expense. Funds will automatically be transferred from your FSA directly to the pharmacy, assuming there are adequate funds in your account(s). Remember, if you do not have enough money in your FSA, your transaction will be denied. Keep a copy of the receipt for your records. You will need to present them in the event you are audited by the IRS.

Q: Can I use my FSA Debit Card at online pharmacies or for mail-order prescriptions?

A: Yes. Enter your Consumer Account Card number online or on the order form.

Q: What if my provider prescribes an OTC (over-the counter) medication?

A: If a provider prescribes OTC medications to treat a specific medical condition, you’ll need to give the pharmacist your prescription to purchase OTC medicine using your Debit Card.

The pharmacist will dispense your medicine and give it an RX number. Account holders should not use their Debit Cards when making purchases for OTC medications, without a prescription. As of January 1, 2011 FSA funds may no longer be used to purchase over-the-counter medications unless they are prescribed by a health care professional.

Q: What if I use my FSA Debit Card to pay for a prescription, but I am also purchasing another non-eligible item, such as shampoo, at the same time?

A: For a transaction to authorize, we must be able to match a Card transaction amount to the exact amount you owe for a covered prescription at the pharmacy. Therefore, you cannot use your Card for ineligible items; you must pay for those items separately.

Example: Tom goes to the cash register at a store with IIAS in place to buy some shampoo and a container of hearing aid batteries and swipes his FSA Debit Card (and selects the "Credit" option). The card pays for Tom's hearing aid batteries and then the cashier ask Tom to pay for the shampoo with a separate form of payment. Because the store with IIAS in place confirms that only expenses eligible for a tax break were paid with Tom's FSA Debit Card, no follow up documentation has to be submitted to Preferred Administrators. Tom goes home and puts his receipt in an envelope designated for the current plan year so that if the IRS audits him, he has all necessary documentation readily available to him.

Q: How long is my FSA Debit Card valid?

A: The expiration date can be found on the face of the Card. The Card will remain valid as long as the member is an active participant of FSA. It is valid for three (3) years from the date of issuance. Card renewals will be reissued 30 days prior to expiration date.

Q: What if I decide not to use my Card anymore?

A: If you no longer wish to use your Card, simply call the number printed on the back of your Card to cancel and destroy the Card by cutting it in half. You can also call Customer Service for assistance at 915-532-3778 Monday- Friday 8:00 a.m. – 5:00 p.m.

Q: What do I do if my FSA Debit Card is rejected when I use it?

If your Card doesn't work at the time of purchase or a transaction is declined:

- Choose another payment method, such as cash or check;
- Save your receipt and submit your claim manually along with a reimbursement request form. You can download claim forms from www.preferredadmin.net or you can call our Customer Service for assistance at 915-532-3778 Monday-Friday 8:00 a.m. – 5:00 p.m.
- You can Fax your FSA Claim to 915-225-1174 or Mail to Preferred Administrators 1145 Westmoreland, El Paso, TX 79925

Q: What are some reasons why my FSA Debit Card transactions may be declined?

- The transaction is not for an eligible service or it does not match a pre-defined benefit or co-pay amount, as required by Preferred Administrators.
- The transaction cannot be substantiated at the time of purchase but you can still submit a manual claim with written documentation to support your purchase.
- You're trying to buy ineligible over-the-counter items.
- There are insufficient funds in your FSA to cover the expense. If you encounter this circumstance, you can still submit an FSA form with supporting documentation to Preferred Administrators to be reimbursed by check. The check will be mailed out for the remaining available funds.
- There is a problem with the merchant's card terminal.
- You are attempting to swipe at an invalid location, e.g. a gas station or electronics store.

Q: What do I do if I have a charge that exceeds the amount available in my FSA?

A: If you attempt to use your Card for an amount that is greater than the available balance in your FSA, the entire transaction will be declined. Fund balances are available online at www.preferredadmin.net or you can call our Customer Service at 915-532-3778 Monday- Friday 8:00 a.m. – 5:00 p.m.

Q: What if my FSA Debit Card is lost or stolen?

A: If your Card is lost or stolen, call us immediately at 915-532-3778 Monday- Friday 8:00 a.m. – 5:00 p.m. When you report a lost or stolen Card, it will be deactivated immediately and a new card will be reissued. It is your responsibility to monitor your account activity and report any unusual or fraudulent transactions to Preferred Administrators and your employer.

Q: What type of records am I responsible for keeping when I use my FSA Debit Card?

A: Always keep a copy of your itemized receipts for all Card transactions. The IRS requires you to keep documentation associated with reimbursement from your FSA, and you might be required to produce them in the event you are audited by the IRS. In addition, Preferred Administrators may determine that a particular transaction made with your FSA Debit Card requires additional review. If so, you will need to provide Preferred Administrators with the same information you would supply to the IRS to prove that you used your FSA Debit Card for eligible expenses.