

# What you need to know about Debit Card Substantiation Requirements...

## What are some advantages of a debit card?

The use of a debit card can make the funds in your flexible spending account (FSA) more readily available and easier to use. There are many advantages to using a debit card with your FSA.

- ❖ Immediate access to FSA funds by conveniently swiping your debit card at the place of service.
- ❖ Alleviate the need for you to pay up-front at the time of transaction and then be reimbursed.
- ❖ High percentage of electronic substantiation through electronic file set-up and through the Information Inventory Approval System (IIAS).

## What are some things I should consider regarding the use of my debit card?

While using your debit card can be convenient and provide immediate access to your funds, there are very strict rules governing the use of your card. It is important to understand and adhere to these rules.

- ❖ Lag time between the date of transaction and the request for substantiation can be lengthy.
- ❖ If charges are not substantiated your card will be turned off.
- ❖ All unsubstantiated charges must be repaid (as required by IRS regulations) before your debit card can be turned back on.

## Why do I have to substantiate some transactions?

The Internal Revenue Service (IRS) requires that flexible spending accounts substantiate each and every transaction in which a debit card is used. Partial substantiation or auditing of sample transactions is not permitted.

Whenever possible, NGS CoreSource will substantiate your transaction directly with your service providers.

## Frustrated with Flex Substantiation?



"Laughter and tears are both responses to frustration and exhaustion. I myself prefer to laugh, since there is less cleaning up to do afterwards."

## How do I substantiate medical, dental, pharmacy and vision claims?

- ❖ An Explanation of Benefits statement from the group medical/pharmacy, dental and/or vision plan is required indicating the benefit payment and the member liability.
- ❖ Provider statements indicating an "estimated" insurance payment, payment due or previous balance, are not acceptable documentation.
- ❖ As billing date, name of provider and transaction amount may differ between the EOB and debit card transaction, **NGS CoreSource is not always able to match EOBs to debit card transactions for substantiation. All EOBs must be submitted by plan participants.**
- ❖ Members can be reimbursed for OTC medications under their flex plans. OTC drugs, medicine and biologicals (medical therapy derived from a biological source such as antibodies, enzymes and hormones) will require a physician directive, such as a written prescription or letter from a physician, before reimbursement can be made.
- ❖ For vision services, an itemized statement indicating the provider name, patient name, date of service, amount charged and a detail of the service and/or item(s) purchased.

## What if I am unable to substantiate a claim?

If you are unable to substantiate a transaction or any portion of a transaction, **you are required by IRS regulations to repay the Plan.**

This can be done in one of the following ways:

- ➔ Submit additional eligible expenses for which the debit card was not used to NGS CoreSource.

*These expenses will require a claim form which is available from your HR Dept or via our website at [www.ngs.com](http://www.ngs.com).*

- ➔ Submit a check in the amount that you are unable to substantiate. Checks should be made payable to: Gunnison County.

If you have any questions regarding your debit card account or transactions which require substantiation, please call your Flex Analyst at 1-800-521-1555.