



# Benefit Allocation Systems, Inc.

132 Ivy Lane, PO Box 62407, King of Prussia, Pennsylvania 19406

## Healthcare and Dependent Day Care Flexible Spending Account Claims Submissions

A Flexible Spending Account Plan (“FSA”) offers an easy and convenient way for you to save money on taxes and make your benefit dollars go further. Under your Health Care and/or Dependent Day Care FSA, you put money aside on a pre-tax basis to pay for eligible health care and/or dependent day care expenses.

The Internal Revenue Service places 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.

*This bulletin offers a reminder about the requirements for submitting fully substantiated health and dependent day care FSA claims within the requirements of IRS regulations.*

### What Expenses May Be Reimbursed from my Health Care FSA?

To be reimbursed from your Health Care FSA, the item must be

- For medical care, not for general health or cosmetic purposes. If the expense has a dual purpose (could be both medical and non-medical), a Letter of Medical Necessity from your health care provider must be submitted with the expense. See below for the requirements of a Letter of Medical Necessity.
- Incurred by you, your spouse, your tax dependent for health coverage purposes or your child who is under age 27 as of the end of the taxable year. Your employer may place additional restrictions on whose expenses may be reimbursed from the FSA.
- Incurred during the period of FSA coverage and during the FSA Plan Year.
  - The medical care or expense must have actually been incurred during the plan year, not just billed or paid.
  - Advance payment is not permitted, except in limited situations, such as for orthodontia (with supporting documentation).
- Prescribed if an over-the-counter medicine or drug. The prescription must be from a licensed physician and must clearly describe the medicine or drug to be purchased. BAS will accept a prescription if it includes
  - Doctor’s Name
  - Doctor’s License Number
  - Date
  - Patient’s Name
  - Description of Drug (specific description of drug, “cold medicine” or “allergy medicine” not sufficient)

### Document Information

#### Date & Version

April 30, 2012 v1.0

#### Prepared By

BAS Client Services

#### References

None

## What is Adequate Documentation for My Health Care FSA Reimbursement Request?

To request reimbursement from your Health Care FSA, you must submit a completed BAS Health Care FSA Claim Form, along with appropriate receipts, Explanation of Benefits, prescriptions, and/or Letters of Medical Necessity showing the eligible expense was incurred.

### Claim Form

BAS provides a bar-coded and non-bar-coded Health Care FSA claim form. To print a bar-coded claim form, go to MyEnroll.com and sign into your participant account using your User ID and Password. A claim form can be accessed in the left-side of the menu on your employee home page. A non-bar-coded claim form can be printed at [www.MyEnroll.com](http://www.MyEnroll.com) without logging into the site.

You MUST sign and date the claim form. Identify the expenses you are submitting for reimbursement, along with dates of service. You must also identify the individual whose expenses are being submitted. Use a separate claim form for your own claims and for the claims of each dependent for whom you are submitting expenses.

- ✓ Claim Form
  - Sign
  - Date
  - List Expenses
  - List Dates of Service
  - Identify whose expenses (participant, dependent)
  - Amount of Claim

### Receipts

Supporting receipts, EOBs or billing statements must be submitted with the completed claim form. A receipt must contain all of the following elements to be considered an adequate receipt under IRS rules. Credit card receipts and/or cancelled checks are not adequate documentation.

- ✓ Medical Service- (BAS will accept an itemized receipt or an EOB from the insurance company or health care provider that contains the following)
  - Patient Name
  - Provider Name
  - Date of Service
  - Description of Service (or procedure code)
  - Amount Paid
- ✓ Medical Item
  - Merchant Name
  - Date of Purchase
  - Description of Item
  - Amount Paid
- ✓ Prescription
  - Name of Patient
  - Name of Pharmacy
  - Date (fill date)
  - Description of Item
  - Amount Paid

- ✓ OTC Drug or Medicine
  - Prescription Required
    - Doctor's Name
    - Doctor's License Number
    - Patient's Name
    - Date
    - Description of Drug (specific description- "cold medicine" or "allergy medicine" not sufficient)
  - Receipt Required
    - Merchant Name
    - Date of Purchase
    - Description of Item
    - Amount Paid

If the item for which you are seeking reimbursement has both a medical and a non-medical purpose (a massage, for example), you must provide a Letter of Medical Necessity from your doctor confirming that the item is for medical care. BAS will request a new Letter of Medical Necessity each Plan Year. A Letter of Medical Necessity must include:

- ✓ Patient Name
- ✓ Doctor Name
- ✓ Date of Issue
- ✓ Diagnosis
- ✓ Service or Supply Needed
- ✓ Statement or support that service or supply is medically necessary to treat diagnosis
- ✓ Length of Service (if applicable)

### **What Expenses May Be Reimbursed from my Dependent Day Care FSA?**

To be reimbursed from your Dependent Day Care FSA, the item must be:

- For day care to allow you and your spouse to work or look for work
  - Typical examples
    - Babysitter (not parent or other child/stepchild under age 19)
    - Family day care/child care/dependent care
    - Home care
    - Backup or emergency care
    - Preschool expense (not kindergarten or higher)
    - Day camp (not overnight camp)
    - Before and after school non-educational day care
- For a qualifying individual
  - Child under age 13
  - Dependent age 13 or older who is incapable of self-care
- Incurred during the period of FSA coverage and during the FSA Plan Year
  - The medical care or expense must have actually been incurred during the Plan Year, not just billed or paid.

### **What is Adequate Documentation for My Dependent Day Care FSA Reimbursement Request?**

To request reimbursement from your Dependent Day Care FSA, you must submit a completed BAS Dependent Day Care FSA Claim Form, along with appropriate receipts showing the eligible expense was incurred for an eligible dependent.

### Claim Form

BAS provides a bar-coded and non-bar-coded Dependent Day Care FSA claim form. To print a bar-coded claim form, go to MyEnroll.com and sign into your participant account using your User ID and Password. A claim form can be accessed in the left-side of the menu on your employee home page. A non-bar-coded claim form can be printed at [www.MyEnroll.com](http://www.MyEnroll.com) without logging into the site.

You MUST sign and date the claim form. Identify the expenses you are submitting for reimbursement, along with dates of service and the provider's taxpayer ID number (Social Security Number if the care is provided by an individual). If you cannot produce a taxpayer ID or Social Security number for the day care provider, you must provide a statement saying that you attempted to obtain the number but could not.

- ✓ Claim Form
  - Sign
  - Date
  - Identify Qualified Dependent
  - Provider's Signature and Date (or provide receipt)
  - Taxpayer Identification Number (or SSN) (or statement that you tried to obtain TIN/SSN)
  - Description of Services
  - Amount of Claim

### Receipts

If the Provider does not sign and date the completed form attesting to each expense, supporting bills/receipts must be submitted with the completed claim form. A bill/receipt must contain all of the following elements to be considered adequate under IRS rules. Credit card receipts and/or cancelled checks are not adequate documentation.

- ✓ Bill/Receipt
  - Name of Qualifying Dependent
  - Name and Address of Provider
  - Date of Service
  - Description of Service (if not evident from name on receipt)
  - Provider's Taxpayer Identification Number/SSN (if not on claim form or if statement not provided that you tried to obtain the TIN/SSN)

### FSA Claim Submission

You may mail or fax your completed claim to BAS for processing.

#### **Mail or Fax To:**

BAS  
P.O. Box 62407  
King of Prussia, PA 19406  
FAX: 1.888.265.2144