



# Health Care Limited Purpose Flexible Spending Plan (LPFSA)

## WHAT IS AN LPFSA?

With a Health Care Limited Purpose Flexible Spending Plan; you can use your MGIS Benefits Purchasing debit card to pay your portion of eligible expenses for dental, vision and preventative care expenses until your High Deductible Health Plan (HDHP) deductible is met. Once your HDHP deductible is met, you may use the card to pay for any eligible medical expenses.

## HOW YOUR LPFSA WORKS

All dental, vision and preventative care expenses can be run through either the Health Savings Account or the Health Care Limited Purpose Flexible Spending Account at any time. If you've met your HDHP deductible, you can tap into your Health Care Limited Purpose Flexible Spending Account to pay for any qualified medical expenses.

You can only use the card to pay for un-reimbursed dental, vision and preventative care expenses (medical expenses are allowed once your HDHP deductible is met). Once your HDHP deductible is met, your card will be programmed to accept all eligible medical merchant codes. The system is programmed to detect the type of provider and will decline the transaction if used inappropriately (i.e., the card will not be accepted at a gas station).

You can't use the card for ineligible items, such as gum or candy — even at an eligible provider. If you use the card at an eligible provider, but purchase an ineligible item, MGIS will request reimbursement. Remember, YOU are responsible to only use the card for eligible expenses per IRS Guidelines.

## HERE'S HOW EASY IT IS TO USE THE CARD

1. Give the provider your insurance card first. When asked to pay your portion of the expense, give them the MGIS Flex Convenience card. Remember, you can only pay for a service performed (or expense incurred) during the current Plan Year and you may only use your flexible spending account for eligible expenses NOT paid for by your insurance. The FSA is for your eligible out-of-pocket expenses.

2. Keep all receipts for expenses purchased with the card. MGIS may ask for documentation to verify the eligibility of your claim. If you do not have the receipts, you will be required to reimburse the Plan, per IRS regulations.
3. You can check the balance in your Health Care Limited Purpose FSA account 24 hours a day by clicking the "LOGIN" link at [www.We-R-CDH.com](http://www.We-R-CDH.com) and following the instructions.

Great Tax Savings.	Without a Flex Plan	With a Flex Plan
<b>Annual Income</b>	\$40,000	\$40,000
<b>Contribution to Account</b> (before taxes)	\$0	\$2,000
<b>Taxes Paid</b> (estimated at 35%)	\$14,000	\$13,300
<b>After-Tax Income</b>	\$26,000	\$26,700
<b>Increase in Annual After-Tax Income</b>		\$700

**Estimate your possible tax savings with an HCRA or DCRA. Log on to [www.We-R-CDH.com](http://www.We-R-CDH.com) and use the MGIS FlexCDH Calculator.**

## IF THE CARD DOESN'T WORK

If your card doesn't work, it may be because of one of the following reasons. If none of the items listed below apply to your situation, call MGIS at 1.866.WeRFlex (937.3539).

- The provider is not using a correct System Merchant Code for the card. If the transaction fails more than twice, call MGIS at 1.866.937.3539.
- You are using a card that has been deactivated. If you notify MGIS that a card has been lost or stolen, the card will be deactivated. Make sure you do NOT attempt to use the old card once you have reported it lost or stolen, as it will not work.
- The card can only be 'swiped' for the amount available in your Flex Account. The amount available is the amount allotted for the year, minus any deductions you've already made. If you try to use the card for more than that amount, the entire transaction will be denied. However, you can instruct the provider to swipe the card for the balance in your account and pay the remaining balance.



## CONSUMER-DIRECTED HEALTHCARE

- If the provider does not accept Visa® you will have to pay the amount due and submit a request for reimbursement to MGIS. Complete the claim form, attach the provider receipt with your name on it and submit it to Medical Group Insurance Services, Inc. at PO Box 16110, Salt Lake City, Utah 84116-0110, or fax it to 801.990.0212. (Keep a copy for your records.)

### WHAT ARE COMMON ELIGIBLE EXPENSES?

**Eligible expenses in an HCRA** may include co-payments, deductibles, prescription drugs, certain over-the-counter medications, eyeglasses/contacts, and much more. The general requirement established by the IRS is that the expense must be necessary to alleviate a physical defect or for prevention of illness.

Services performed solely for cosmetic reasons are generally not eligible. Expenses merely beneficial to one's general health (i.e., various vitamins or supplements) are not eligible. Expenses paid by insurance are not eligible. You should review your plan for details.

**Eligible Expenses in a DCRA** may include care for a qualifying dependent (someone under age 13, or a spouse or dependents over 13 who are physically or mentally incapable of caring for themselves and for which you are eligible to take an exemption); pre-school or nursery school, etc. For a list of common eligible expenses, visit our website. For details on what is covered by your company's plan, refer to your specific plan document.

### HELPFUL HINTS

**Be conservative.** Estimate your elections conservatively because the IRS guidelines state that any funds left in your account at the end of the plan year will be forfeited to the plan sponsor.

**Save receipts.** Keep all of your receipts because you may be required to submit them to substantiate your claim. If you are unable to submit a receipt upon request, your claim may be deemed ineligible.

**Submit a claim.** If you need to submit a claim manually, complete the claim form, attach the itemized receipts with your name on them, and fax to MGIS at 801-990-0212. Keep a copy for your records.

**Incur expenses during your plan year.** Expenses must

be incurred during the current plan year. If you are billed after the close of the plan year for expenses incurred during the plan year, you may still be reimbursed for that service. Your plan may have a 30-day run-out period and a 75-day grace period for services incurred during that plan year.

**Report a missing card.** When you notify MGIS that your card has been lost or stolen, it will be deactivated. Make sure you do not attempt to use your old card once you have reported it missing because it will not work.

**Watch your balance.** Your card can only be swiped for the amount available in your account. The amount available in your HCRA is the total allotted for the year, minus any expenses you've already incurred. The amount available in your DCRA plan is the total you have deposited in your account year-to-date, minus any expenses you've already incurred.

If you try to use your card for more than the available amount, your transaction will be denied. However, you can instruct your provider to swipe the card for the balance in your account, and then you can pay the remaining balance.

**Call MGIS.** If your card doesn't work, it may be because your provider is not using a correct Merchant Category Code (MCC) for the card. If your transaction fails more than twice, please call MGIS at 1-866-937-3539.

### MGIS TAKES CARE OF ALL THE DETAILS

Behind the scenes, MGIS monitors your transactions to ensure compliance and provides accurate, periodic on-demand reporting to your employer. You may also monitor your accounts at any time by using convenient online access to your HCRA or DCRA accounts.

Additionally, MGIS service representatives are available toll-free to help during regular business hours. Please call MGIS at 1-866-937-3539. To check your account balance 24/7, visit our website at [www.We-R-CDH.com](http://www.We-R-CDH.com), or call 1-866-937-3539.