



FLEXIBLE SPENDING ACCOUNTS (FSAs)

FREQUENTLY ASKED MEMBER QUESTIONS (FAQs)

FSA FAQs

What Is A Health Care Flexible Spending Account (FSA)?

A Health Care FSA is a special reimbursement arrangement established by employers to allow you as an employee to set aside pre-tax money on an annual basis to pay for qualified medical expenses (as defined in Code Section 213(d)) incurred during that year. FSAs can be offered in conjunction with any type of health plan. Your pay is automatically reduced each pay period based on your annual election; however, the full annual election amount is available to you on the first day of coverage. The Health Care FSA is subject to the “use it or lose it” provision; therefore, any unused contributions remaining at the end of the plan year will be forfeited unless your employer has chosen to add a Grace Period or Carryover provision.

What is a Limited-Purpose FSA?

The IRS allows employers that offer a High-Deductible Health Plan (HDHP) and Health Savings Account (HSA) to also offer a Limited-Purpose FSA. A Limited-Purpose FSA works the same way as a Health Care FSA does by letting you as an employee set aside pre-tax money on an annual basis to pay for qualified expenses incurred during that year. The difference is that it limits what expenses are eligible for reimbursement. With a Limited-Purpose FSA you can only submit claims for eligible vision and dental expenses. (Remember: Cosmetic procedures such as teeth bleaching are not eligible under any Flexible Spending Accounts.)

What is a Dependent Care FSA?

A Dependent Care FSA is an employer-sponsored benefit plan that lets you as an employee set aside pre-tax money on an annual basis to pay for qualified day care expenses incurred during that year. You decide how much you want to set aside each year, and a portion of that amount is deducted from each paycheck during the year. You can then submit a reimbursement request for eligible dependent care expenses. There is a statutory annual maximum contribution of \$5,000 (\$2,500 if married and filing separate returns) established by the IRS. Unlike the Health Care FSA, reimbursements may only be made up to the available balance as of the date the reimbursement request is made.

Health Care FSA

What medical expenses can be reimbursed from the Health Care FSA?

Employees are reimbursed for “qualified medical expenses.” Qualified medical expenses are defined by IRS Code Section 213(d), as long as those expenses are not otherwise paid by health insurance. These expenses may include deductibles, coinsurance, prescription drugs, vision care (including LASIK surgery) and dental care. A list of qualified medical expenses can be found at **bcbst.com**.

Who controls the use of funds in a Health Care FSA?

Although employees can submit claims for whatever expenses they choose, the employer must require you to provide substantiation of each expense to ensure that it is for a qualified medical expense eligible under the FSA.

What medical expenses are typically not reimbursable from the Health Care FSA?

- Medical expenses that are not defined as eligible expenses by your employer
- Medical expenses that do not meet IRS section 213(d) requirements
- Medical expenses that are specifically excluded under IRS section 125
- Medical expenses incurred by you or your spouse or eligible dependents before your participation in the program was effective
- Medical expenses that can be reimbursed to you through another insurance plan or any other source.
- Examples of expenses that are not eligible for reimbursement include nutritional supplements, illegal operations and treatment, health club dues and cosmetic surgery (unless medically necessary).

If I have a Health Care FSA and a Health Reimbursement Arrangement (HRA) through BlueCross BlueShield of Tennessee, which account will be used first?

Expenses eligible (i.e. deductibles, coinsurance and copays) under both accounts will be reimbursed through the HRA first and then default to the FSA unless your employer specifies that the FSA will pay before the HRA.

Can I have both a Health Savings Account (HSA) and an FSA?

Federal regulations prohibit employees from participating in a Health Savings Account (HSA) and a traditional Health Care FSA at the same time. However, employers who offer an HSA with the High-Deductible Health Plan (HDHP) can also offer a Limited-Purpose FSA. A Limited-Purpose FSA will only reimburse dental and vision expenses.

Why was I limited on the amount I could contribute to the Health Care FSA when I enrolled?

It is customary for employers to establish a maximum that you can contribute to the Health Care FSA, since the entire amount is available at the beginning of the plan year.

Limited-Purpose FSA

What expenses can be reimbursed from the Limited-Purpose FSA?

Employees are reimbursed for qualified vision and dental expenses.

Who controls the use of funds in a Limited-Purpose FSA?

Although employees can submit claims for whatever expenses they choose, the employer must require you to provide substantiation of each expense to ensure that it is for a qualified vision or dental expense under the Limited-Purpose FSA.

What expenses are typically not reimbursable from the Limited-Purpose FSA?

Medical expenses are not eligible to be reimbursed from the Limited-Purpose FSA. Eligible vision and dental expenses are the only expenses that can be reimbursed from the Limited-Purpose FSA.

Dependent Care FSA

What expenses are eligible for reimbursement?

A Dependent Care FSA is used to help pay for preschool, summer day camp, before or after school programs and child or elder daycare. Services must be provided while you and your spouse are working, engaged in a fulltime search for employment, or enrolled as a full-time student.

Whose expenses can be reimbursed from my Dependent Care FSA?

Expenses can be reimbursed for care of any qualifying child or relative. Generally speaking, a qualifying child or relative is: your child under age 13, your spouse, or an adult relative or adult child who is physically or mentally incapable of self-care. IRS Publication 502 has more information on who is considered a qualified dependent, or you can always ask your tax advisor for more details.

What expenses are typically not eligible for reimbursement?

Examples of expenses not eligible for reimbursement include payment to relatives providing care, who are also your dependents, or the cost of tuition for children in grade school.

Can I use the Dependent Care FSA to get reimbursed for paying my sister or other relative for babysitting?

Yes. As long as your sister or other relative isn't listed as a dependent on your income tax return, is 19 or older, and is willing to declare this income on his/her income tax return.

Why was I limited on the amount I could contribute to the account when I enrolled?

The IRS establishes the maximum you can contribute, which is \$5,000 per family (if you are head of household or married and file a joint tax return) or \$2,500 (if you are married and file a separate tax return).

Why are my reimbursement requests pended when my account shows a spendable balance amount?

With the Dependent Care FSA, you will only be reimbursed for services that have been rendered, up to the amount contributed (i.e. via payroll deduction) to date. Reimbursement requests above the account balance amount will be pended until additional contributions are made to your account.

Is Automatic Reimbursement a feature available with Dependent Care FSA?

No. This feature is available with Health Care and Limited-Purpose FSAs only.

Types of Reimbursement

Automatic Reimbursement

Available FSA funds are automatically applied toward any deductible, coinsurance and/or copays on a participant's vision, dental, prescription or health care claim. For prescription drugs, you pay up front at the pharmacy, and BlueCross automatically reimburses you in about two weeks. Automatic reimbursement isn't available for Dependent Care FSAs. You will need to submit a Dependent Care FSA claim form for reimbursement if you have a Dependent Care FSA account.

Manual Reimbursement

You can manually submit FSA claim forms with receipts and/or an Explanation of Benefits (EOB) for Health Care, Dependent Care and Limited-Purpose FSA reimbursements.

How can I obtain blank reimbursement claim forms?

Reimbursement claim forms are available online at **bcbst.com**.

What do I need to submit a request for manual reimbursement from my FSA?

Complete and sign the FSA claim form and be sure to include 1) the provider's signature and 2) a detailed receipt from your provider and/or an EOB. If you are submitting a Dependent Care claim form you will also need to include the provider Tax ID number.

How soon after enrollment can I request reimbursement from the account(s)?

You have access to the account when your plan becomes effective. Services must be rendered before they are reimbursed.

What happens if the amount I request for reimbursement is larger than my available account balance?

Reimbursement requests that exceed your account balance will be reimbursed up to the amount available in the account. With a Dependent Care FSA, the balance or amount available for reimbursement is limited to the amount you have payroll-deducted so far (and your employer contributions, if any). Additionally, services must have been rendered before they will be reimbursed.

How often can I submit reimbursement requests?

You can submit requests as often as you incur expenses.

Can I be reimbursed for my dependents' medical expenses under the FSA?

Yes, as long as your dependent meets the definition of a dependent as defined by the IRS and is included in your employer's plan.

Where do I submit my manual reimbursement requests?

Completed claim forms can be sent mailed, faxed or emailed to:

Mail: BlueCross BlueShield of Tennessee

BCBST Claims Service Center

1 Cameron Hill Circle STE 0022

Chattanooga, TN 37402-0022

Fax: 1-888-666-1221

Email: HDHP_Claims@bcbst.com

Misc. Questions

Can I transfer an account balance from one account to the other?

No, the Health Care, Limited-Purpose and Dependent Care FSAs are separate plans offered by your employer under separate terms and conditions.

What are the tax advantages of an FSA?

Dollars you contribute to your FSA are taken before taxes are collected from your income. Your contributions are subtracted from your gross salary and then taxes are withheld from your adjusted income. The amount you deposit into any FSA will not have Federal Income and Social Security taxes deducted, but could have state

and local taxes withheld. Please note: The amounts you contribute to an FSA cannot be taken as a tax credit on your Federal Income Tax Return, since they have already received tax advantages.

Can I make changes to my FSA(s)?

Once an election for an FSA has been made, you cannot change the election amount unless you have a qualifying event or family status change such as marriage, divorce, birth or adoption, change of job, termination of employment or loss of a covered dependent. Please view your Evidence of Coverage or Summary Plan Description for more information.

What happens to the balance in the account(s) at the end of the plan year?

FSAs are subject to a “use-it-or-lose” it rule so if the funds are not used by the end of the year, you lose that money.

Employers do have the choice to give employees a two and-a-half month Grace Period immediately following the end of a plan year to use up available funds. So, if the plan

year ends December 31, you may have the ability to use your previous year’s FSA funds until March 15. Employers may also choose to provide Carryover. Carryover allows you to carry over up to \$500.00 to use during the next plan year.

To determine if your employer has chosen Grace Period or Carryover, please view your Evidence of Coverage or Summary Plan Description for more information.

Who do I call for questions about my FSA?

If you have questions about how a BlueCross FSA works, our Consumer Coaches are ready to help.

Call 1-800-527-9206 or e-mail consumercoach@bcbst.com for assistance.

Can I go online to check my account activity?

Yes, log on to BlueAccess via bcbst.com to view your account balance, claims activity and your Personal Health Statement.

BlueCross BlueShield of Tennessee (BlueCross) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. BlueCross does not exclude people or treat them differently because of race, color, national origin, age, disability or sex.

BlueCross:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as: (1) qualified interpreters and (2) written information in other formats, such as large print, audio and accessible electronic formats.
- Provides free language services to people whose primary language is not English, such as: (1) qualified interpreters and (2) written information in other languages.

If you need these services, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711).

If you believe that BlueCross has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance ("Nondiscrimination Grievance"). For help with preparing and submitting your Nondiscrimination Grievance, contact a consumer advisor at the number on the back of your Member ID card or call 1-800-565-9140 (TTY: 1-800-848-0298 or 711). They can provide you with the appropriate form to use in submitting a Nondiscrimination Grievance. You can file a Nondiscrimination Grievance in person or by mail, fax or email. Address your Nondiscrimination Grievance to: Nondiscrimination Compliance Coordinator; c/o Manager, Operations, Member Benefits Administration; 1 Cameron Hill Circle, Suite 0019, Chattanooga, TN 37402-0019; (423) 591-9208 (fax); Nondiscrimination_OfficeGM@bcbst.com (email).

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

BlueCross BlueShield of Tennessee, Inc., an Independent Licensee of the BlueCross BlueShield Association.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-565-9140 (TTY: 1-800-848-0298).

ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل برقم 1-800-565-9140 (رقم هاتف الصم والبكم: 1-800-848-0298).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-800-565-9140 (TTY:1-800-848-0298)。

CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-800-565-9140 (TTY:1-800-848-0298).

주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-800-565-9140 (TTY: 1-800-848-0298) 번으로 전화해 주십시오.

ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-800-565-9140 (ATS : 1-800-848-0298).

ໂປດຊາບ: ຖ້າວ່າທ່ານເວົ້າພາສາລາວ, ການບໍລິການລູກຄ້າ ວ່າຍເຫຼືອ ອັດ ານພາສາ, ໂດຍບໍ່ ສິ ບັດ າ, ຄມ ນມ ພ ອມ ໂຫ ທ ານ. ໂທ 1-800-565-9140 (TTY: 1-800-848-0298).

ማስታወሻ: የሚናገሩት ቋንቋ አማርኛ ከሆነ የትርጉም እርዳታ ድርጅቶች: በነጻ ሊያግዝዎት ተዘጋጅተዋል: ወደ ሚክተለው ቁጥር ይደውሉ 1-800-565-9140 (መስማት ለተሳናቸው: 1-800-848-0298).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-800-565-9140 (TTY: 1-800-848-0298).

સુચના: જો તમે ગુજરાતી બોલતા હો, તો નિ:શુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે. ફોન કરો 1-800-565-9140 (TTY:1-800-848-0298)

注意事項：日本語を話される場合、無料の言語支援をご利用いただけます。1-800-565-9140 (TTY:1-800-848-0298) まで、お電話にてご連絡ください。

PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-800-565-9140 (TTY:1-800-848-0298).

ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-800-565-9140 (TTY:1-800-848-0298) पर कॉल करें।

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-800-565-9140 (телетайп: 1-800-848-0298).

توجه: اگر به زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد. 1-800-565-9140 (TTY:1-800-848-0298) تماس بگیرید.

ATANSYON: Si w pale Kreyòl Ayisyen, gen sèvis èd pou lang ki disponib gratis pou ou. Rele 1-800-565-9140 (TTY: 1-800-848-0298).

UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-800-565-9140 (TTY: 1-800-848-0298).

ATENÇÃO: Se fala português, encontram-se disponíveis serviços linguísticos, grátis. Ligue para 1-800-565-9140 (TTY: 1-800-848-0298).

ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Chiamare il numero 1-800-565-9140 (TTY: 1-800-848-0298).

Díí baa akó nínizín: Díí saad bee yánílti'go Diné Bizaad, saad bee áká'ánida'áwo'déé, t'áá jiik'eh, èi ná hóíq, kojí' hódíílnih 1-800-565-9140 (TTY: 1-800-848-0298).