

FSA Guide

Healthcare FSA Benefit

What is a Flexible Spending Account (FSA)?

A flexible spending account is an employer-sponsored pre-tax benefit that allows you to set aside money into separate accounts to pay for qualified health care expenses.

Why should I participate in an FSA?

An FSA can save you money, since your contributions are taken before taxes. The money you contribute to an FSA is exempt from most taxes, and can increase your take-home pay by up to 30% of your annual contribution with tax savings.

What expenses are eligible for reimbursement?

Your healthcare FSA can be used for health care co-pays, deductibles, co-insurance, prescriptions, eyeglasses, dental care, and certain medical supplies.

View our Eligible Expenses guide at www.mybenefitsnm.com/FSA.htm for more information.

How do I contribute money to my FSA?

Sign up during Open Enrollment to contribute for all of 2020, or sign up during a qualifying event to contribute for the remainder of the year. Once you decide on an amount you want to contribute to your FSA, the amount you have selected will be deducted from each paycheck before taxes are calculated and the money put into your FSA.

Who is covered under an FSA?

A healthcare FSA covers eligible expenses for you and all of your eligible dependents, even if they are not covered under your primary health plan. This includes your spouse and children under 26, but it doesn't include domestic partners or their children.

How do I get reimbursed using my FSA?

One debit card will be issued to you automatically after you enroll in the healthcare FSA. You can also request one additional card in a dependent's name by contacting Erisa Administrative Services, Inc., or by submitting a Debit Card Request Form. Benefits debit cards can be used at the register when paying for eligible expenses.

If you don't have your card, you can file a claim along with your receipt showing your name, the name of your provider, services provided, amount, and date. Once approved, your reimbursement will be deposited into your bank account or a check will be mailed to you.

If I elected FSA last year, do I need to sign up again this year?

Yes. Healthcare FSA and Dependent care elections need to be made every year, even if you want to elect the same amount.

How soon can I start spending my FSA funds?

A big perk to the healthcare FSA is that it is pre-funded, so you will be able to use your full annual pledge amount at the very beginning of the plan year regardless of the amount contributed to date.

What happens if I don't spend all my FSA funds by the end of the plan year?

Be sure to only allocate dollars for predictable medical or dependent care expenses. Any unused funds at the end of the plan year can't be rolled over or refunded, also called the **use-it-or-lose-it rule**. This is extremely important to keep in mind; unlike other plans such as Health Savings Accounts and Health Reimbursement Accounts you lose unspent contributions when the plan year ends.

Your Health FSA does have a grace period that allows you to submit claims for services incurred through March 15th of the following year.

How much can I contribute?

Account	Minimum Contribution	Maximum Contribution
Health Care FSA	\$130	\$2,750 per individual

This reflects the current 2020 limit. The IRS announces changes to the annual contribution limit each October. You may opt to increase your election to the maximum contribution during Open/Switch Enrollment if it increases.

What happens to my FSA if my employment is terminated?

Participation in your FSA is also terminated. This means that only expenses that were incurred prior to your termination date are eligible for reimbursement.

What is the deadline for submitting claims?

Your deadline to submit claims for Health FSA is March 31st of the year following your FSA enrollment. If your employment ends in the middle of the year, you have up to 15 days after your termination date to submit claims for services incurred while you were still employed.

How do I determine the date my expenses were incurred?

Expenses are incurred at the time the medical care was provided, not when you are invoiced or pay the bill. If you visit the doctor on December 28, 2020 and receive the bill on January 2, 2021 your expense was incurred on December 28 and would only be covered by a 2020 FSA. You may also incur claims between January 1st and March 15th for the prior plan year during the grace period.

Are over-the-counter (OTC) medications eligible for reimbursement?

Yes, OTC medications are potentially eligible, and thanks to the CARES Act of 2020 you are no longer required to provide a prescription or Letter of Medical Necessity to purchase OTC medications. At most pharmacies you will find that they identify the items as FSA eligible on the receipt, but if it does not appear to identify the items as eligible, make sure to submit an itemized receipt with your claim.

What is a Letter of Medical Necessity?

The IRS mandates that eligible expenses be primarily for the diagnosis, treatment, or prevention of disease or for treatment of conditions affecting any functional part of the body. For example, vitamins are not typically covered because they are used for general wellness, but your doctor may prescribe a vitamin to treat your medical condition. The vitamin would then be eligible if your doctor verified the necessity in treatment. You can find a copy of this form on our website at:

www.mybenefitsnm.com/FSA.htm

When can I Enroll in FSA?

You can enroll in FSA in one of three ways:

- Within 31 days of your Date of Hire
- During Open/Switch Enrollment
- Within 31 days of a valid Qualifying Event

If you are a new hire or wish to add FSA during the annual Open/Switch Enrollment window then please go to www.mybenefitsnm.com and click on the enrollment tab for details. If you have a Qualifying Event which may allow you to make changes to your benefit you can find the form here as well. If you are not sure if your event allows for a change you are welcome to contact Erisa Administrators and inquire.

Getting Started with BenefitsbyET

Handling your claims is easy with the BenefitsbyET online portal. Once you have been enrolled an email with instructions on accessing the portal will be sent to the email address you provided. Log in to the consumer portal, hosted by Erisa Trust Inc. in conjunction with Wex Health Systems on any computer at: <https://benefitsbyet.lh1ondemand.com/>. Follow the instructions on how to register your account so you can have full access to a suite of tools to monitor available funds, expenses, claims and more.

Using the BenefitsbyET Phone App

You will want to download the phone app in the Android or Apple app stores. Search for “BenefitsbyET” in your preferred app store. You can also use the links located on our information page at <https://www.mybenefitsnm.com/FSA.htm>. Your phone app allows you to submit a photo of documentation as documentation for any claim.

Filing a Claim

All participants receive an Erisa Trust Debit Card for use with FSA. You can handle co-pays, prescription payments, and most incurred costs on the debit card. If you participated in FSA for the prior plan year (2020) your existing card will still be good for the new plan year.

If you submit a manual claim for reimbursement you may choose to receive a paper check, submit payment to the provider directly, or provide bank information for electronic reimbursement.

Submitting Documentation

In your online portal you have the ability to upload and attach supporting documentation to a pending claim. You will receive a notice within no more than 1 week from the claims system if additional documentation is required. For most card services claims you need take no action, but if the provider service is unclear or the purchase is not identifiable as an FSA eligible expense then additional documentation will be required.

Documentation Requirements

The IRS requires the following documentation requirements for all claims:

- Service date or purchase date (start date and end date if applicable)
- Description of the service or item purchased (e.g. prescription, co-pay, coinsurance, office visit, dental work)
- Name of the provider or merchant and contact information (location service or purchase made)
- Claim Amount (dollar amount of the service or item on which a cost was incurred)

Examples of acceptable documentation include:

- Explanations of Benefits (EOBs) contain required information and are excellent documentation to submit with your claim
- Letters of Medical Necessity (LMN) are especially useful and required if the item in question might be considered “dual purpose” (have a non-medical purpose or non-specific medical benefit)
- Over-the-counter medication receipts should always identify the names of the purchased items on the receipts.

About Eligible Goods and Services

Erisa Administrative Services, Inc. follows the SIGIS guidelines (<https://sig-is.org/>) which provides the approved eligibility list for IAS Standards for eligible product list criteria. We maintain a listing of eligible products and any specialized documentation requirements on our website at:

<https://www.mybenefitsnm.com/FSA.htm>

Contact Us

Erisa is a local business in service to the State of New Mexico Group Benefits Plan. Please contact us with any of your Flexible Spending Account questions. You can reach us at:

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