



FLEXIBLE SPENDING ACCOUNTS (FSA)

Administered by BlueCross BlueShield of Florida

Flexible Spending Accounts (FSAs) are designed to help you save taxes on eligible health care expense through a Health Care FSA and/or Child/Elder FSA. You may participate in one or both of the accounts.

HEALTH CARE FSA

The Health Care FSA allows you to set aside money each year on a pre-tax basis to reimburse you and your dependents for medical, dental, and vision care expenses not covered by your benefit plans. This means that

you will not pay Federal taxes or FICA on the funds you contribute to your Health Care FSA. You may only use the Health Care FSA to reimburse yourself for eligible health care expenses. You may contribute up to \$5,000 in the 2010 plan year. Minimum contribution is \$250.

You have a 90-day run out period (until March 31, 2011) at the end of the plan year for reimbursement of eligible FSA expenses incurred during your period of coverage within the 2010 plan year.

Eligible Health Care Expenses (not covered by insurance) include:

- Acupuncture
- Alcohol and drug rehabilitation (inpatient)
- Ambulance service
- Blood pressure monitoring devices
- Birth control pills, condoms, spermicide
- Chiropractic care
- Coinsurance and deductible
- Contact lenses (corrective)*
- Crutches
- Dental treatment, dentures
- Diagnostic tests
- Doctors' fees
- Drug addiction / alcoholism treatment
- Drugs**
- Experimental medical treatment
- Eye exams, glasses
- Fertility enhancement
- Flu shots
- Guide dogs
- Hearing aids and exams
- Injections and vaccinations
- In-vitro fertilization
- LASIK surgery
- Lamaze classes related to childbirth
- Medical alert bracelet, necklace
- Nursing services*
- Optometrist fees
- Orthodontic treatment*
- Oxygen
- Reconstructive surgery after mastectomy***
- Smoking cessation programs/treatments
- Surgery***
- Transportation for local medical care
- Weight loss programs (if medically necessary)
- Wheelchairs
- X-rays

IRS Publication 502, Medical and Dental Expenses, contains a list of eligible expenses. Go to www.IRS.gov for complete copy of the list.

** To be eligible for reimbursement, some treatments, prescription drugs or services deemed cosmetic in nature require written proof of medical necessity from your healthcare provider.*

*** Including some over-the counter medications. Not all drugs requiring a prescription are approved by the IRS as eligible for reimbursement. Drugs must have a drug name and drug number.*

**** Unused funds designated for Health Care FSAs cannot be refunded to you. Please verify with your healthcare provider (prior to the commencement of the upcoming plan year) that you are a suitable candidate for any surgical procedure before committing the money to your FSA.*



When Can I Use It?

Once you sign up for the Health Care FSA and decide how much to contribute, that total amount is available to you at anytime during your period of coverage. It's like a cash advance because you don't have to wait for the cash to accumulate in your account before you can use it to pay for your uninsured, eligible health care expenses. Your money is tax-free and interest free!

Some Ineligible Health Care Expenses

- Vision warranties, service contracts
- Health / fitness club membership fees
- Cosmetic surgery not deemed medically necessary
- Teeth whitening
- Non-prescription herbs, vitamins

IMPORTANT!



SAVE YOUR RECEIPTS and Explanation of Benefits!

You can choose Auto-Adjudication or the Debit Card, but not both. This is for the Health Care FSA only. You can still use paper claims when necessary or preferred.

If You Choose the Debit Card you can use your Health Care FSA Debit Card at medical retail providers who accept MasterCard, including physician offices, dental providers, vision providers, hospitals, and pharmacies. By using your FSA debit card you avoid out-of-pocket expenses.

Note: *You are only allowed five swipes per day on your Health Care FSA Debit Card.*

If You Choose Automatic Adjudication/ Reimbursement BlueCross BlueShield of Florida (BCBSFL) will electronically submit your portion of covered health claims to your FSA for reimbursement. You won't have to submit paperwork for these services.

Exceptions:

- Medical expenses denied, not covered, or not paid by BCBSFL, such as dental, vision or over-the-counter medicines
- Medical expenses incurred by dependents not covered or paid through a health plan administered by BCBSFL health plan, but considered eligible under the FSA plans
- Individuals who have requested an alternate address because of the Health Insurance Portability and Accountability Act of 1996 privacy regulations

You are not eligible for Automatic Reimbursement if you:

- Do not have a health plan administered by BCBSFL
- Have secondary insurance coverage administered by BCBSFL or another insurance carrier
- Have chosen to receive a debit card

How to Request Reimbursement:

To obtain reimbursement from your FSA, you may complete a claim form and attach all itemized receipts from the service provider. Receipts must include:

- Name of employee or dependent
- Date of service
- Name of service provider
- Charges incurred

Canceled checks, bankcard receipts, credit card receipts and credit card statements are not acceptable forms of documentation. Keep a copy for your records and submit your request form and supporting documentation via mail or fax to:

**BlueCross BlueShield of Florida
Spending Account Administration
P.O. Box 45132
Jacksonville, FL 32232-5132
(Fax) 904-866-4829**





FLEXIBLE SPENDING ACCOUNT (FSA)

To meet IRS regulations, participants will need to submit receipts for all debit card transactions, with the exception of certain expenses that can be substantiated electronically, such as prescription copays. In cases where an expense

cannot be substantiated electronically, you will be required to submit additional documentation. Your over-the-counter (OTC) receipts and Explanation of Benefits (EOB) may be required to show amounts paid to provider.

HEALTH CARE FSA PLANNING WORKSHEET



Please Note

If you're planning to enroll in the Health Care FSA, estimate your contributions carefully. Because of the tax advantages associated with the plan, any money left in the account at the end of the plan year will be forfeited. Use this worksheet to estimate your eligible out-of-pocket health care expenses for the 2010 plan year, January 1, 2010 through December 31, 2010. (Minimum of \$250 per year; Maximum of \$5,000 per year).

**If you are enrolling in the plan after January 1, 2010, you will have fewer than 20 or 24 pay periods remaining in the year. Be sure to calculate your deduction based on the remaining number of pay periods.*

2010 HEALTH CARE FSA PLANNING WORKSHEET

Expected Medical Expenses for this year:

Deductible	\$
Co-payments	\$
Prescription Drugs	\$
Over-the-Counter Medications	\$

Expected Vision Expenses for this year:

Exams	\$
Eyeglasses	\$
Contact Lenses	\$
Prescription Sunglasses	\$
Saline/Enzyme	\$

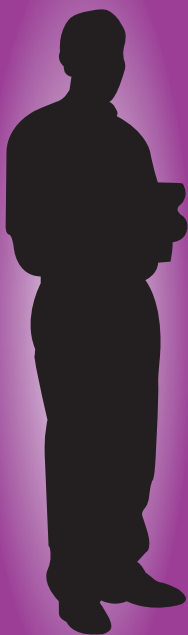
Expected Dental Expenses for this year:

Deductible	\$
Co-payments	\$
Orthodontia	\$
Total Expected Health Care Expenses for this year:	\$

(Annual minimum is \$250; Annual maximum is \$5,000)

÷ Number of Paychecks*

= Your Contribution Per Pay Period \$



CHILD/ELDER CARE FSA

The Child/Elder Care FSA allows you to use pre-tax dollars to pay for dependent day care expenses so that you can work and your spouse (if married) can work or attend school full-time. You may contribute up to \$5,000. You may only use the Child/Elder Care FSA to reimburse yourself for dependent day care expenses for eligible dependents; it cannot be used for health care expenses.

Remember, the Child/Elder Care FSA cannot be used to cover expenses for your domestic partner or your domestic partner's children.

ELIGIBLE DEPENDENTS

Eligible dependents must live in your home at least eight hours every day and may include:

- Children under age 13 who meet the IRS definition of a qualifying individual.
- A spouse or legal dependent of any age that is physically or mentally incapable of self-care.

ELIGIBLE DEPENDENT DAY CARE EXPENSES

- Child or adult care center that complies with the State and Local regulations (not including nursing homes)
- Sitter inside or outside the home
- Day care during school vacation, provided it is not primarily for education purposes
- Nursery school, even if the school provides educational services
- Relative who cares for eligible dependents, as long as that relative is not your dependent and is age 19 or older (if related to your child)

IRS Publication 503, Child and Dependent Care Expenses, contains a list of eligible expenses. Go to www.irs.gov for a list.

	Health Care FSA		Child/Elder Care FSA	
	With Account	Without Account	With Account	Without Account
Annual Salary	\$50,000	\$50,000	\$50,000	\$50,000
Pre-tax FSA Contribution	-\$1,000	\$0	-\$5,000	\$0
Taxable Income	\$49,000	\$50,000	\$45,000	\$50,000
Estimated Taxes (30%)	\$14,700	\$15,000	\$13,500	\$15,000
After-tax Expenses	\$0	-\$1,000	\$0	-\$5,000
Net Income	\$35,300	\$35,000	\$36,500	\$35,000
Annual Tax Savings	\$300	\$0	\$1,500	\$0

ONLINE ACCESS TO FSA INFORMATION

Manage your Flexible Spending Accounts online at www.bcbsfl.com

1. Go to www.bcbsfl.com and click on "Member Self-Service"
2. Select either "Returning User" or "New User"

The screenshot shows the BlueCross BlueShield of Florida website. A callout box highlights the 'Members' menu with the following options: Member Self-Service, Products, Plans & Services, Health & Wellness, Discount Programs, and Have a Question?. The main website content includes navigation for Members, Physicians & Providers, Employers & Benefit Administrators, Sales Partners (Agents, Brokers, Producers), and Visitors. A section titled 'How Can Blue Help You?' lists services like a Single Point of Contact, BlueDental, and Discount Programs. A 'News & Notes' section at the bottom mentions a recent survey result and a link to a website for shopping for health care.

