



Card Use Verification (CUV)

IRS Proposed Regulations (§1.125-6) requires plans to follow "all of the following correction procedures for any improper payments using the debit card...(i) Until the amount of the improper payment is recovered, the debit card must be de-activated and the employee must request payments or reimbursements of medical expenses from the health FSA through other methods (for example, by submitting receipts or invoices from a merchant or service provider showing the employee incurred a section 213(d) medical expense)"

While your FSA and HRA offer you a great deal of convenience, especially when paired with the WageWorks Health Care Card, both are regulated by IRS rules that all participants are required to follow.

The IRS permits automatic verification by:

Co-pay matching

Recurring transaction matching (looking back 36 months)

IIAS merchant purchases

Carrier files

The IRS does not permit automatic verification based upon a card transaction at a medical location (such as a hospital, clinics, dentist, vision) as these types of locations offers both eligible and ineligible items/services, and said service providers do not track or flag them accordingly which poses the difficulty of validating the transaction without further documentation.

To help you stay on track, we have compiled the answers to some of the most commonly asked questions surrounding the use of the Card, Card Use Verifications and WageWorks Pay Me Back reimbursement.

Q. Where can I use my WageWorks Health Care Card?

A. Use your WageWorks Health Care Card instead of cash or credit at health care providers and pharmacies for eligible services, goods and prescriptions. Now that a doctor's prescription is required for Over-The-Counter (OTC) drugs and medicines, your Card will only be accepted for OTC medicines at the pharmacy counter and only if presented along with a valid prescription. You still will be able to use the Card to purchase certain medical items, such as bandages and contact lens solution, at general merchandise stores (including most drug stores) that have an industry standard (IIAS) inventory and checkout system. Go to www.sigis.com for a list of IIAS merchants in your area.

In most instances, you will be able to use your Card with little or no inconvenience. There are, however, situations when the Card will be declined or you will be required to submit receipts and/or other documentation to verify that the item or service purchased was eligible. If this is the case, you will receive a Card Use Verification (CUV) from WageWorks requesting additional information. You will need to submit a detailed receipt or statement of services rendered from your provider, e.g. Explanation of Benefits (EOB) as proof of eligibility of your expense.

Q. What is auto-adjudication?

A. Auto-adjudication is the process whereby we automatically verify that the expense is eligible for reimbursement or payment from a tax-based benefit account such as your Flexible Spending Account (FSA) or Health Reimbursement Arrangement (HRA). If WageWorks cannot auto-adjudicate your

transaction at the checkout or afterward, you will be notified via email, by regular mail if you don't have an email address in your profile, and you'll see an alert when you log into your WageWorks account online.

Q. What should I expect if my purchase is not automatically verified? / Why did I get a Card Use Verification (CUV) request?

A. If an expense is not verified, you will receive Card Use Verification (CUV) notification from WageWorks via email, informing you that additional information is needed to validate the claim per IRS guidelines. Please note that charges to certain types of providers who also offer services or products that are considered ineligible may also cause a verification request to be sent. And even though we send notifications, it is a good idea to periodically check your WageWorks account for any CUVs.

Q. How do I know if I have Card Transactions that need to be verified?

A. WageWorks will notify you by:

- Email (from ServiceNotice@wageworks.com)
- The "Submit Receipts for Health Care Card Use" button will appear on your WageWorks online user account Welcome Page
- Postal mail (if no email address is provided)

Q. How can I resolve a CUV?

A. You will want to resolve any CUVs immediately. The CUV notification will provide you with instructions to resolve the issue. Simply send the notification and required information to WageWorks via online or fax. You will need to provide a detailed invoice or receipt that shows the patient name, the provider name, the date of service/purchase, the type of service and the amount charged or your cost.

Q. What will happen if I do not resolve a CUV?

A. You have 90 days from the date of purchase or service to resolve any outstanding CUVs. If your unresolved 90+ days CUV balance is 50% or more than your current available balance, your Card will be suspended or deactivated and you will be unable to use it. For Example if you have \$300 worth of CUV and an available balance of \$500 left on your FSA, your CUV is at 60% of your current balance.

In addition to running the risk of Card suspension, the amount of any outstanding transactions may be subtracted from subsequent Pay Me Back claims submitted for reimbursement. **NOTE: Once your card is suspended, the Card will remain suspended until all unverified Card transactions are cleared.**

Q. What happens if my service/purchase is not verified and I cannot provide support that it is an eligible expense?

A. If funds were taken from your account for the service or item and cannot be verified or do not meet the IRS guidelines as an eligible expense, you will need to send a check to reimburse your account. You may also have the option of submitting replacement receipts for the amount. This means you would send a receipt for an eligible item that you used out-of-pocket money for that is the same or greater amount. The replacement cannot be something you have already used your account funds for or received reimbursement for already. Additionally, the service or expense date needs to be in the same plan year as the ineligible expense.

Q. What are Eligible Expenses for my FSA?

A. Eligible health care expenses typically include:

- **Doctor visits** - Copayments, coinsurance, deductibles
- **Prescriptions** - For almost any medical condition
- **Over-the-counter medicines¹ and devices** - Pain relievers, antacids but only with a doctor's prescription
- **Alternative treatments** - Chiropractic care, acupuncture, etc.
- **Eye/Ear care²** - Vision care, eyeglasses, contact lenses, eye surgery
- **Dental care²** - Preventive and restorative care, orthodontia

- **Mental health care** - Counseling, therapy, psychology, psychiatry

For a complete list of FSA items, please click [here](#) or go to the Participants Quicklinks on www.wageworks.com and click on "Eligible Expenses." Also, please note that certain providers such as doctors, dentists, optometrists and chiropractors may provide services that are not eligible for FSA reimbursement. Please be sure to review the eligible expense list at www.wageworks.com.

Note:

1 As of 1/1/2011, over-the-counter medicines require a doctor's prescription in order to be reimbursed from your account. Visit www.wageworks.com/healthcarereform to learn more.

2 Limited purpose FSA participants can only use their funds for eligible vision and dental care expenses.

Q. How do I request a Pay Me Back reimbursement?

A. You can request reimbursement online (preferred and quickest method) or you can complete the paper form and fax it. When submitting your request online, simply login to your account, from the Welcome Page, click on the orange "Online Claims" button and click the link to "Enter Health Care Claim Online" and follow the step-by-step instructions. You will also need to submit a detailed receipt about the expense for which you are seeking reimbursement. The IRS requires five pieces of information on your receipt or documentation:

- The Patient Name
- Provider name
- Date of Service
- Type of service
- The amount charged or your cost (e.g. your deductible or co-pay amount or the portion not covered by your insurance)

To request reimbursement via fax, download and complete the paper form and submit it with the copies of your receipts. You should always keep all of your receipts, even if you are using your Card for eligible expenses at an IIAS merchant.

Sincerely,

WageWorks