

# Health Care Reimbursement Account (HCRA)

# Open Enrollment

# 12

Sept. 12 – 30, 2011

Online only — 100% paperless enrollment 

**Everyone required to make an election**

## Flexible Spending Accounts

Flexible Spending Accounts (FSA) offer you the opportunity to reduce your taxable income. You can set up an account with pre-tax dollars to pay for eligible health care expenses and qualifying dependent care expenses. By using pre-tax dollars, money that is set aside in an FSA is not included in your earnings for tax purposes. The amount of federal, state and Social Security taxes you pay is reduced.

While the tax savings advantage of a flexible spending account is very valuable to you, it is important to carefully plan your contributions. Internal Revenue Service (IRS) regulations do not allow you to receive any unused money left in your account at the end of the calendar year. This means any money deposited during the calendar year that is not used for eligible expenses incurred that year is forfeited.

## For 2012

- The company will provide \$200 of coverage in the HCRA for all full-time and regular part-time employees actively employed as of Dec. 31, 2011.
- You will continue to use your same debit card you previously received. Your current debit card will automatically be loaded on Jan. 1, 2012 with your 2012 annual HCRA amount.
- Over-the-counter drugs (other than insulin) must be prescribed by a physician to be eligible for reimbursement under the HCRA.

## Health Care Reimbursement Account (HCRA)

The Health Care Reimbursement Account is a flexible spending account. If you participate, you can reimburse yourself for eligible health care expenses for you and your eligible dependents with pre-tax money. Eligible expenses include co-payments, deductibles, co-insurance and other IRS-approved health expenses, including eligible over-the-counter items.

If you decide to participate, you may contribute from \$120 to \$7,500 annually to your HCRA in addition to any company coverage for which you are eligible. Your annual contribution will be converted to a per-pay-period amount and deducted from your first and second paycheck each month.

The HCRA, combined with the company's medical and dental plans, offers you flexibility to design a health care program that best meets your needs. For example, you could choose a lower cost medical plan during Open Enrollment and use your premium savings to contribute more to your HCRA.

## Health Care Account Debit Card

Your ADP Health Care Account Debit Card (Card) is a convenient way to pay for eligible expenses directly from your HCRA. If you are paying for prescription drug co-pays or physician co-pays, you do not need to file substantiation for your eligible purchases. For all other eligible expenses where you use the Card, however, you need to substantiate your purchases (this means faxing your itemized receipts for Health Care Account Card purchases along with a claim form to prove the HCRA eligibility of the items or services purchased). If you've not submitted required substantiation within 59 days from date of purchase, your Card will be deactivated until substantiation is submitted.

## Eligible expenses

As you consider participation in the company's medical and dental plans, keep in mind that the HCRA provides this tax-savings advantage on any health care expenses considered tax-deductible by the IRS and not reimbursed under any medical, dental, vision or hearing program. ADP's website offers a listing of eligible expenses. You may not be reimbursed for any eligible expenses arising before your participation became effective or after you cease participation. Eligible expenses must be incurred during the calendar year.

Examples of eligible expenses:

- your share of medical and dental costs — deductibles, co-payments, co-insurance;
- all over-the-counter medicines and drugs (other than insulin) must be prescribed by a physician;
- eye examinations, eyeglasses, contact lenses, eye surgery;
- hearing aids and batteries; and
- smoking-cessation programs and prescribed drugs to alleviate nicotine withdrawal.

## For more information

The Benefits website is available to you 24 hours a day, seven days a week. For questions about specific plan benefits, contact ADP.

## Additional Information

### Customer Service

### Web Access

Health Care Reimbursement Account (HCRA)

1-800-654-6695

[www.flexdirect.adp.com](http://www.flexdirect.adp.com)

ADP Services — Access Web address for tax-savings worksheet, listing of eligible expenses, view your claims history, arrange for direct deposit of your reimbursement checks.

# HCRA Frequently Asked Questions

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The following Q&A will give you a better understanding of this flexible spending account, which is used by a growing number of employees to pay non-covered health care expenses.

**Q. Do I need to enroll in the HCRA during Open Enrollment in order to receive my \$200 of company-provided coverage?**

A. No action is required on your part to receive your \$200 in company-provided coverage. Beginning Jan. 1, 2012, your HCRA account, which is administered by ADP Benefits Services, will automatically reflect your company coverage of \$200. While an employee contribution is not required, you may want to consider contributing your own money into the HCRA so that you can use pre-tax money to reimburse yourself for uninsured health care expenses.

**Q. I want to contribute my own money to my HCRA in addition to the \$200 company-provided coverage. What do I need to do?**

A. You will need to make an election during Open Enrollment if you want to put your own money — above the \$200 company-provided coverage — into your HCRA for 2012. The minimum annual employee contribution level for 2012 is \$120, which means you can enroll for just \$10 per month.

**Q. Will my current ADP debit card work in 2012?**

A. Yes — please keep your current ADP debit card that you previously received. Your current debit card will automatically be loaded with your 2012 annual goal amount on January 1, 2012.

**Q. How much can I contribute to my HCRA account?**

A. For 2012, You can contribute any amount between the minimum of \$120 and the maximum of \$7,500. Please note that beginning Jan. 1, 2013, health care reform will allow you to contribute only up to a maximum amount of \$2,500 for 2013.

**Q. What types of expenses can be reimbursed using my HCRA?**

A. Your HCRA enables you use pre-tax money to pay for a wide variety of expenses that are eligible for reimbursement. These include co-payments and deductibles, plus various health-related products and services — from chiropractic care to dental care to laser eye surgery — and much more. ADP's website offers a listing of eligible HCRA expenses.

**Q. Can I carry over my unused 2011 HCRA account to 2012?**

A. No. The plan does not allow you to receive any unused money left in your account at the end of 2011. This means any of your money and any of the \$200 of company provided coverage that is not used for eligible expenses incurred in 2011 is forfeited.

**Q. How will I receive my HCRA reimbursements?**

A. ADP offers reimbursement through direct deposit, or a paper check can be mailed to your home address.

**Q. How do I get direct deposit for my HCRA?**

A. To get direct deposit, visit the ADP website. First-time users should click the registration link under **Participant Login**. Enter your Social Security number and ZIP code, then follow the

prompts to establish your permanent user ID and password.

After entering your user ID and password, click **Participant Profile** from the landing page, then select **Yes** to the direct deposit option. Enter the necessary information, such as your EFT checking account number and the EFT routing number that appear on your checks.

When finished, select **Update Information**. Direct deposit will be in effect in approximately 10 business days. If you have any questions, call ADP at 1-800-654-6695.

**Q. How do I monitor my personal HCRA account with ADP?**

A. After Jan. 1, 2012, you can log onto ADP's Website at <http://www.flexdirect.adp.com> to view your 2012 account and to track the status of your reimbursements.

**Q. Will we have auto-claims rollover?**

A. Effective Jan. 1, 2011, you no longer had the Anthem auto-claims rollover feature. This means you'll either need to use your Health Care Account Debit Card or submit paper claims for your eligible HCRA expenses.

**Q. What is the Health Care Account Debit Card (Card)?**

A. It's a convenient way to pay for eligible expenses directly from your HCRA, without the need to pay out of pocket and wait for reimbursement. The IRS has regulations regarding appropriate use of the Card, as far as **where the Card can be used, and when follow-up documentation is required. Use of the Card DOES NOT eliminate all of the paperwork.**

**Q. Where can the Card be used?**

A. Per IRS regulations, the Card can only be used at health care providers — hospital, doctor, dentist, optometrist, pharmacy, etc.

**Q. What do I do if I go to a pharmacy/doctor's office, and my debit Card is denied?**

A. You will need to pay with your personal funds and then submit a claim form to ADP.

**Q. I used the Card. When do I have to turn in substantiation (paperwork)?**

A. Certain situations will allow the Card transactions to be electronically substantiated, meaning that no follow-up documentation will be required. If you are enrolled in the company medical plan and are paying for prescription drug co-pays or physician co-pays, you do not need to file substantiation for your eligible purchases.

For all other eligible expenses where you use the Card and for anyone not enrolled in the company medical plan, you need to

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substantiate your purchases — this means faxing your itemized receipts for Card purchases along with a claim form to prove the HCRA eligibility of the items or services purchased. If you've not submitted substantiation within 59 days from the date of purchase, your Card will be deactivated for all future purchases until substantiation is submitted.

**Q. How do I file a claim or submit substantiation (paperwork)?**

A. To file a claim for an expense that you did not purchase using your Card or to respond to a receipt request for a Card purchase, please visit the ADP website "Flex Forms" tab and use the Online Claim Form Completion tool. Each online form contains step-by-step instructions. Online forms are the most secure and preferred method of submitting claims. If you prefer to use a paper-based form, however, hard-copy claim forms can be printed and completed by hand from the "Tools & Forms" tab.

**Q. Will ADP let me know if I need to send substantiation (paperwork)?**

A. Yes. ADP will send an e-mail asking for substantiation to either your company or personal e-mail address depending on the following situations.

- If you are registered with a Health FSA account, ADP has your preferred e-mail address.
- If you are not registered, ADP will use your work e-mail to send substantiation.

**Q. If I need copies of Explanation of Benefits to substantiate claims, can I get copies from Anthem?**

A. Yes. Log onto Anthem's website ([www.anthem.com](http://www.anthem.com)) and click "Check Claim Status" in the right hand column to search for paid claims.

**Q. How many Cards will I be issued?**

A. You will receive one Card in your name, which is ADP's standard practice. The debit card is good for three years.

**Q. May I order additional Cards for other family members? If not, what are my options for paying medical expenses if I don't have the Card with me?**

A. ADP will only issue one Card to an employee. You could pay for the claims or services with your personal funds and submit a claim form to ADP. You could ask the health care provider if they would be willing to take the Card number over the phone and process without the swiping the Card.

**Q. What if I don't want the Card?**

A. The Card will not work until you activate it. If you don't want to use the Card, do not activate the Card.

**Q. Can I use the Card when purchasing medications and supplies that qualify under HCRA online?**

A. If the vendor will accept the Card, yes. If the vendor will not accept the Card, you will need to purchase the item using your personal funds and submit a claim form to ADP.

**Q. What if I lose my Card?**

A. Because the Card has the full amount of your annual health FSA contributions, you'll want to keep it in a secure place. If you lose your Card, contact ADP — **1-800-654-6695** — immediately so that your Card can be deactivated and cancelled.

**Q. Do I have to register on ADP's website?**

A. We encourage you to register your e-mail address on ADP's website so that ADP can inform you of any issues — such as when you need to send in substantiation after using the Card. It's quick and easy to register. You can monitor your account, view payroll contributions and check on a paper claim status.

**Q. How can I learn more about the Card?**

A. The Card is a great benefit, but it is important that you understand how it works. Visit the ADP website (address on back of Card or [www.flexdirect.adp.com](http://www.flexdirect.adp.com)) to learn about using your Card, view frequently asked questions and monitor your account.

**Q. Who is ADP?**

A. ADP Benefit Services is the claims administrator for the HCRA.

**Q. Is our HCRA plan the same as a health Flexible Spending Account?**

A. Yes. The two terms are one and the same.