

Employers and employees may have questions about the requirements for submitting receipts when the reimbursement account benefit card is used to pay for a service. This handout provides an explanation of the receipt substantiation requirements.

IRS Rules Govern Substantiation Requirements

The IRS has established specific guidelines that require all Flexible Spending Account (FSA) and Health Reimbursement Arrangement (HRA) transactions — even those made using a benefit card — to be substantiated (verified that the purchase was an eligible medical expense).

The substantiation process is performed by Asure. We are very diligent in the execution of the substantiation process to avoid adverse tax consequences to employees.

Common Misconceptions about Receipt Requirements

1. If the benefit card is used for an eligible service, no further receipts or documentation are needed to support the expense.
2. Any claim at a doctor, dentist or vision provider will not require receipts.

These misconceptions are **NOT TRUE!** Since not all services from a medical provider or pharmacy are eligible medical expenses, receipts are required to verify eligibility. For example, a dentist may perform teeth whitening, which is not eligible for reimbursement.

IIAS and Auto Substantiation

Inventory Information Approval System (IIAS) is a new Federal Government mandated system used by merchants that identifies eligible healthcare items and limits FSA and HRA healthcare payment cards to eligible items only.

This system makes it easier for account holders to manage over-the-counter and pharmacy expenses, since the merchants automatically substantiate purchases at the point of sale.

All supermarkets, grocery stores, department stores, and wholesale clubs are required to implement the IIAS merchant program or they cannot accept healthcare payment cards. For a regularly updated list of these stores and pharmacies, please visit <https://www.sig-is.org/> and look for retailers that are certified IIAS compliant, using the Store Locator option or viewing the IIAS Merchant PDF document.

Substantiation Processes

There are two ways purchased may be substantiated in compliance with IRS requirements:

- **Auto-Substantiation** — Substantiation may be made automatically through electronic evidence. Examples include:
 - Copay matching: charges that exactly match the dollar amount, or up to 5 times the dollar amount, for copay under the employer's insurance plan. For example, a \$20, \$30, or \$40 charge at a doctor's office or 5 times those amounts.
 - Recurring claims: charges that exactly match the provider and dollar amount for a previously approved and substantiated transaction. For example, a fixed monthly orthodontia payment.
- **Manual Substantiation.** All purchases that do not qualify for auto-substantiation must be manually substantiated with receipts or other documentation. Examples include:
 - Doctor, dentist, and other provider visits where the amount paid is not equal to the copay or a recurring charge.
 - Prescription and over-the-counter transactions where the amount paid is not equal to the copay and/or the store is not IIAS compliant.

Substantiation Requirements

Always Save Itemized Receipts!

Employees should save their itemized receipts from every healthcare payment card transaction and all of the explanation of benefits (EOBs) they receive from health/pharmacy/dental plans.

An easy approach for keeping this information on hand is to designate one envelope or folder to store all itemized healthcare benefit card receipts and EOBs. Using this process will help employees find documentation if requested.

Information Required on Documentation

All receipts or documentation must include the following information:

- Name of person who incurred the service or expense
- Name and address of the provider or merchant
- Date service or expense was incurred
- Detailed description of the service or expense
- Amount charged for the service or expense

Explanation of Benefits (EOBs) contains all the required information and are excellent sources of documentation. NOTE: The majority of HRA plans require EOBs be submitted as substantiation. Contact Asure to confirm this information.

Credit card receipts and cancelled checks are not acceptable!

Receipts for eligible over-the-counter (OTC) products and prescription items do not need to include the person's name, but must display the name of the item (e.g. first aid kit).

Requests for Receipts

If a receipt is needed, employees will be notified by email or mail. Employees may also see if a card transaction requires receipts by logging into their [online](#) account. Card transactions needing receipts are displayed through under **Pending Claims**.

Submitting Documentation

If employees receive a request to provide documentation for card transactions, they should follow these easy steps:

Online:

1. Log into their online account <https://www.mywealthcareonline.com/asure/>
2. Select **Pending Claims**
3. Click on **Upload** and add your documentation to each transaction. You will need to save your documentaion to your PC to be able to upload online.

Mobile:

1. Log into their online account using the Asure Wealthcare mobile application
2. Select their plan
3. Select the arrow next to the "Card" transaction to view the details. If the Status of the card transaction is listed as pending, documentation must be provided.
4. Click on the **+** option to add the documentation

Manual:

1. Submit the documentation along with the Receipt Request notice to Asure via fax: 224-433-5229 or email: processingteam@emangrove.com