



Claim Substantiation for Debit Card Transactions



Debit cards provide quick and easy access to FSA Unreimbursed Medical and Dependent Care funds. However, claims substantiation guidelines still apply for certain transactions. Below are a few commonly asked questions regarding debit card usage and the subsequent request for documentation.

Why should I use my debit card if I still have to submit paper at a later date?

Not all debit card transactions will trigger a request for substantiation. According to IRS Publication 969, “Debit cards, credit cards, and stored value cards given to you by your employer can be used to reimburse participants in a health FSA. If the use of these cards meets certain substantiation methods, you may not have to provide additional information to the health FSA.”

BCC’s hosted debit card system works in conjunction with merchants using an IIAS terminal (a debit card “Swipe” terminal) to help ensure cards are used for eligible expenses only. Using providers that maintain membership in this system eliminates the need for substantiation for specific dollar transactions, such as: amounts that coincide with co-pays or multiple of co-pays, reoccurring medical expenses or items that are Code §213(d) medical expenses.

My transaction is a Code §213(d) medical expense. Why did I receive a letter requesting additional documentation?

To ensure compliance with IRS guidelines, BCC must perform audits on large dollar claims and amounts over \$50.00 at grocery stores or ‘super centers’ where it is not readily discernible as to the use of the funds. Additional audits may also be performed to ensure the integrity of the claims payment process.

My transaction already went through and payment was made. What happens if I don’t respond to BCC’s request for documentation?

Failure to provide appropriate documentation within 30 days from the date of the initial request will result in the debit card being made temporarily inactive. Claims will then only be processed via the regular request for reimbursement method until appropriate documentation is received, reviewed and approved.

If you require additional information on the claim substantiation process, please contact BCC’s Customer Service Center at 1-800-685-6100.