



## **FLEXIBLE SPENDING ACCOUNT (FSA) KEY QUESTIONS FOR CUSTOMERS**

*Determine your customer's requirements by obtaining responses to the following questions:*

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Group name

Date

1. **ACCOUNT TYPES:** Flexible Spending Accounts will be established for:

- Medical FSA and Dependent Care FSA
- Medical FSA only
- Dependent Care FSA only

2. **AUTOMATIC CLAIMS ROLLOVER**

Will unreimbursed medical / prescription drug (if applicable) be automatically transmitted for processing against FSA funds?

- Yes: Unreimbursed eligible expenses automatically transmitted from AmeriHealth New Jersey claims systems for processing against FSA.
- No: Paper claims submission required. Note: The automatic claims rollover option is available only with the Medical FSA; it is not available with Dependent Care FSA.

3. **DEBIT CARD:** Will members receive a debit card for use in paying copayments at point of service? When debit card and automatic claims rollover are both included, copayments will not be automatically transmitted for processing against the Medical FSA. This is a safeguard against duplicate disbursements. The participant must use the debit card at point of service for paying copayments, or may submit a claim for reimbursement. The debit card option is available only with the Medical FSA; it is not available with Dependent Care FSA.

- Yes
- No

4. **PLAN MAXIMUMS**

- Medical FSA Plan Maximum: \$ \_\_\_\_\_  
Note: The IRS does not currently limit the amount of expenses that can be reimbursed with a Medical FSA. Federal regulations permit the employer to establish annual account maximums.
- Dependent Care Plan Maximum: \$ \_\_\_\_\_  
Note: The IRS limits Dependent Care FSAs to a \$5,000 annual maximum for single individuals, or married couples that file a joint tax return. Married individuals who file separate tax returns are limited to a \$2,500 contribution annually.

5. **PAYROLL FREQUENCY:** Customer will need to identify payroll frequencies for use in determining frequency of payroll deductions.

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6. **GRACE PERIOD:** Claims for reimbursement must be filed within \_\_\_\_\_ days of the end of the Plan year:
- 30 days
  - 60 days
  - 90 days (AmeriHealth New Jersey standard)
  - No grace period
7. **ORDERING RULES:** Does group also offer a Health Reimbursement Account (HRA)? If yes, group must determine which Account is drawn from first. Group's Plan Document must outline order; if not specified, HRA funds will be used before FSA funds.
- Yes
  - No
8. Which Account should be drawn from first?
- FSA
  - HRA
9. **REMINDERS:**
- *Premium and Administrative Fee Billing:* AmeriHealth New Jersey will bill the group customer for premiums or administrative fees for the medical plan and monthly FSA administrative fees.
  - *Fund Account Set-Up and Monitoring:* Customers will need to set-up a bank account, or use an existing bank account, to fund reimbursements of Flexible Spending Account claims. Customers will be notified on a monthly basis of additional funding required.
  - *The "Use It or Lose It" Provision:* Federal law requires that any money remaining in a Medical FSA or Dependent Care FSA at the end of the Plan year be forfeited. There is no carryover of funds to the next Plan year. When group provides a grace period, claims may be submitted after the end of the Plan year for services incurred during that Plan year.