PayFlex® Flexible Spending Account (FSA)

Paying for eligible dental expenses

When using your Flexible Spending Account (FSA) funds to pay for eligible dental expenses, it’s important to know your payment options. Take a look at the following chart and information, along with the Frequently Asked Questions (FAQs).

<table>
<thead>
<tr>
<th>Payment Options</th>
<th>Benefits of this option</th>
<th>Things to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1: (Preferred method)</strong>&lt;br&gt;Once you receive an Explanation of Benefits (EOB) from your insurance provider showing the amount you owe, pay for your dental service using the PayFlex Card®, your account debit card.</td>
<td>• Expense is automatically deducted from your health care FSA&lt;br&gt;• Ensures you only pay for what you owe&lt;br&gt;• Helps keep your card active&lt;br&gt;• Eliminates claim filing</td>
<td>• You may be required to provide the Explanation of Benefits (EOB) to PayFlex® at a later date to confirm your expense was eligible. Be sure to keep your EOBs.&lt;br&gt;• To confirm an expense is eligible, IRS regulations require proof of the date of service, description of service or product and the amount you owe. This information is provided on an EOB.</td>
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<td><strong>Option 2: (Next best method)</strong>&lt;br&gt;Once you have received dental treatment, pay for the bill with cash, check or personal credit card. Then submit a claim to PayFlex for reimbursement.</td>
<td>• Quick reimbursement&lt;br&gt;• Helps keep your card active</td>
<td>If the itemized statement from your dentist indicates insurance has been filed, is pending or is estimated, you must wait to submit your claim until after you receive your EOB from your insurance provider.</td>
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<tr>
<td><strong>Option 3: (Choose this option only if your dentist requires you to pay before insurance pays.)</strong>&lt;br&gt;Once you have received dental treatment, pay the bill with the PayFlex Card®, your account debit card, at your dentist office.</td>
<td>• Expense is automatically deducted from your health care FSA&lt;br&gt;• Eliminates claim filing</td>
<td>• If your dentist charges you for an estimated amount OR an amount that is greater than the amount you owe (after insurance pays its portion), your FSA will be placed into overpayment* status and action will be required.&lt;br&gt;• To resolve your overpayment* status, submit payment to PayFlex or submit a claim for a previously unreimbursed eligible expense to repay your FSA. By taking action, your card will remain active.&lt;br&gt;• If you or your dentist receives reimbursement from any other coverage, such as insurance, ask your dental provider to credit any amount over what you owe, back to the PayFlex Card®, your account debit card. If that is not possible, you’re responsible for reimbursing the plan for the amount overpaid.</td>
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**Note:** The eligible amount is the amount you owe after your insurance pays its portion of the bill. If your dentist requires either partial or full payment on the date of your service and indicates on your statement that insurance has been filed, it’s pending or is estimated, it’s best to pay with a form of payment other than your PayFlex Card® when this happens. You can also wait until you receive an Explanation of Benefits (EOB) from your insurance provider showing the amount you owe and then pay for your dental bill with your PayFlex Card®, your account debit card.
Key things to remember

1. You can’t use your card to pay for cosmetic dental procedures, such as dental veneers, bonding and teeth whitening.

2. You should only swipe your card for the amount you are responsible to pay. For Example:
   - Let’s say you visit the dentist to repair a cracked filling.
   - You receive a bill for $300. Your dentist estimates that your out-of-pocket expense is $72.
   - Since you only have the estimate, you should wait to receive the Explanation of Benefits (EOB) from your insurance company.
   - Once you have the EOB, then you’ll know how much you have to pay. For this example, let’s say insurance paid 80% of the cost, and you’re responsible for $60.
   - To pay the $60, you can give your dentist the number on the PayFlex Card®, your account debit card. Or you can pay out of pocket and submit a claim to pay yourself back.

3. There may be times that you’re asked to confirm you used your PayFlex Card for an eligible dental expense. If we need you to do this, we’ll send a Request for Documentation letter to you and post an alert online. For Example:
   - Let’s say you use your card to pay for a dental service. The amount comes out of your FSA.
   - Based on the merchant description (example below) it isn’t clear what you paid for with your PayFlex Card.

<table>
<thead>
<tr>
<th>Date</th>
<th>Merchant</th>
<th>Amount</th>
<th>Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/18/2014</td>
<td>ABC Family Dentist</td>
<td>$45.70</td>
<td>(2014) Health Care FSA</td>
</tr>
</tbody>
</table>

   - We’ll send you a Request for Documentation letter. This letter is requesting documentation for the payment.
   - You will need to send in the EOB or detailed statement to confirm the transaction was for an eligible expense. The EOB or receipt must also confirm the date of purchase or service.
   - You can respond to the request online, from your PayFlex member website.
   - Click Learn More next to the alert for “claims requiring substantiation”. Then select your card payment and upload your EOB.
   - You can also submit a claim via the PayFlex Mobile™ App. Or fax or mail your documentation with a copy of the letter.

Note: The IRS requires that all health care cards are used for eligible expenses. So it’s important that you keep all your EOBs and detailed receipts and statements.

Frequently Asked Questions (FAQs)

1. I used my PayFlex Card to pay for a dental expense and my dentist overcharged me. Who’s responsible for fixing this issue?

If you were overcharged by your dentist, you’re responsible for getting reimbursement for the amount you were overcharged. In order to keep your PayFlex debit card active, you must do one of the following:
   - Mail a check to PayFlex for the amount you were overcharged to repay your account.
   - Submit a claim for another eligible expense to cover the overcharged amount.
   - Have your dentist credit the amount back to your PayFlex debit card.

2. I received a bill from my dentist for an estimated amount and I used my PayFlex debit card to pay the bill. Why did I receive an Explanation of Benefits notice from PayFlex that states my account is in overpayment*?
In this situation, your account is in overpayment* status because the amount you owe is unknown. Once your insurance provider has paid their portion, the amount you owe will be confirmed. To keep your card ACTIVE and avoid overpayment*, it’s best not to use the PayFlex Card until insurance has processed the claim and provided you with an Explanation of Benefits showing the amount you owe.

3. I used my PayFlex debit card at the dentist and it was approved. Why am I receiving a Request for Documentation letter for my dental expenses?

According to IRS guidelines, PayFlex® is required to verify that all purchases made with the PayFlex Card®, your account debit card are eligible expenses. Usually, you’ll receive a letter if the merchant description from the card swipe doesn’t clarify the date of service, description of service, or the amount you owe.

In order to keep your card ACTIVE, you must provide an Explanation of Benefits from your insurance provider or an itemized statement from your dentist. The documentation must include:

- date of purchase or service
- amount of purchase or service
- description of item or service
- name of merchant or service provider
- name of patient

4. What’s the difference between an Explanation of Payment (EOP) from PayFlex and an Explanation of Benefits (EOB) from my dental insurance provider?

An Explanation of Payment from PayFlex is a document telling you what claims have been approved for reimbursement, denied, or whether your account is in overpayment* status. An Explanation of Benefits from a dental insurance provider is a statement that details what services have been paid by the insurance plan and what is owed to the dentist by the insured individual.

*Overpayment status occurs when you have been reimbursed for an expense that has been denied. When your account is placed in overpayment status, the PayFlex Card will be temporarily suspended until PayFlex receives/processes the required documentation or payment.

Want to know more?
Visit your PayFlex member website, and click Contact Us.

This material is for informational purposes only. The information describes the Flexible Spending Account (“FSA”) in general terms. FSA plans are governed by the rules of Section 125 of the Internal Revenue Code and will be administered in accordance with those rules. Estimate fund amounts carefully. Unused funds will be forfeited either after the last day of the plan year or at the end of the grace period if your plan offers one. Eligible expenses may vary from employer to employer. In case of a conflict between your plan documents and the information in this material, the plan documents will govern. Please refer to your employer’s Summary Plan Description (“SPD”) for more information about your covered benefits.

Information is believed to be accurate as of the production date; however, it is subject to change. To learn more about PayFlex, visit www.payflex.com.