Blue Cross and Blue Shield of Alabama, in affiliation with Preferred Care Services, Inc., is pleased to offer as an option to the administration of Flexible Spending Accounts – **The Preferred Flex Card.**

The flex card is not just another credit card! It is a card that provides instant access to the pre-tax funds available in your Health Flexible Spending Account (FSA).

Preferred Blue®
Accounts
More Choices for Consumers

The Preferred Flex Card may be used at authorized merchants and health care providers that accept MasterCard® for eligible products or services, which are reimbursable under your Health FSA. Rather than paying out of pocket and waiting for reimbursement, you will now be able to utilize the card to pay for qualified expenses. The flex card will pay the provider or merchant directly from your Health FSA utilizing the MasterCard® network.

Here's how it works:

1. Enroll in a Preferred Health FSA during open enrollment and choose to receive a Preferred Flex Card.

2. Your Preferred Flex Card will be mailed to you at the beginning of the plan year. It is not necessary to activate the card before using it – it is automatically activated the first time you have a card transaction.

3. When you incur an eligible expense (such as an office visit copay or vision care expense) at a qualified provider, you can pay the provider with your flex card. Examples of qualified providers include:

   • Hospitals   • Pharmacies   • Durable Medical Suppliers
   • Home Health Care Providers   • Physicians   • Dentists
   • Vision Providers

4. When using the flex card at self-service merchant terminals, select the "credit" option. DO NOT select "debit" since no PIN is associated with this card.

The flex card is intended for, and restricted to, use for eligible services and/or purchases associated with a Health FSA, as governed by the Internal Revenue Service in conjunction with flexible spending accounts and all federal and state laws relative to those accounts.

Take advantage of this benefit and enjoy easy access to your Health FSA!

The choice is yours —

Blue Cross understands everyone may not want to utilize the Preferred Flex Card. For this reason, we will give you the option to choose the Card or the traditional administration method. Under the traditional administration method, if your health or dental insurance is with Blue Cross and Blue Shield of Alabama, your out of pocket expenses can automatically apply to your Health FSA. To choose the traditional administration method, please contact Customer Service.

If you have medical, dental or secondary coverage with another carrier you must notify Customer Service so that your Health FSA reimbursements will process correctly. In this situation, you will need to file a Request for Reimbursement form with appropriate documentation about the services rendered and what the other carrier paid in benefits.

Questions and Answers

What are the advantages of a Preferred Flex Card for me?

The Preferred Flex Card reduces the traditional hassles of Health FSAs such as filing claim forms, double out of pocket expenses and waiting for reimbursement checks. The card may be used wherever MasterCard® is accepted for unreimbursed health care expenses such as: office visit copays, hospital deductibles, prescription copays, vision care services, dental expenses and more.

How do I get the flex card?

Enroll in the Preferred Health FSA through your employer and sign up for a Preferred Flex Card. You will receive your flex card in the mail at the beginning of the plan year.

How does my Preferred Flex Card work?

Your flex card allows you to access the entire amount of your annual election for your Health FSA so you can begin using it right away for eligible expenses. Therefore, you will no longer be paying out of pocket, filing claims or waiting for reimbursement for those expenses.

What if I owe the provider more than I have available in my Health FSA?

The card will be declined if 'swiped' for MORE than your available balance. Just ask your provider to 'swipe' the card for your available balance and pay the difference out of pocket (with taxed income). You may check your available balance at **www.bcbsal.com** or call 1 800 213-7930.

What happens if my card is lost or stolen?

If your card is lost or stolen, report it within 48 hours by contacting Blue Cross and Blue Shield of Alabama online at **www.bcbsal.com** or by phone at 1 800 213-7930. A replacement card will be sent to you.

May I access my Health FSA without the card?

Yes, if your provider or merchant does not accept MasterCard® or you elected not to use your flex card, simply pay for your expenses and submit a Request for Reimbursement form for the eligible expense.
This can be done by mail or fax to:

> **Blue Cross and Blue Shield of Alabama**
> **Preferred Blue Accounts**
> **P.O. Box 11586**
> **Birmingham, AL 35202-1586**
> **Toll Free Fax: 1 877 889-3610**

Will I still need to keep my receipts?

Yes, the IRS requires that we validate each flex card transaction. When possible, we will use our claims data to accommodate this requirement. If we do not have the claims data or if the transaction cannot be validated, you will be required to provide documentation with receipts. Failure to submit the documentation/receipts can result in the expense being labeled as "ineligible". In this case, you would be obligated to repay the amount to the Plan. It can also result in deactivation of your card.

Can I use my flex card for Dependent Care Account reimbursements?

No, the flex card is not currently offered in conjunction with the Dependent Care Account.

Where can I find the "Terms and Conditions" for use of the flex card?

The "Terms and Conditions" for use of the flex card are outlined on the cardholder agreement that will accompany your Preferred Flex Card. By signing and using the card, you agree to abide by the rules established. If you would like a copy of the card holder agreement or have questions regarding the rules, please contact Customer Service at 1 800 213-7930 or visit our web site at **www.bcbsal.com.**

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