

FSA | *New York City* Flexible Spending Accounts

Health Care Flexible Spending Account (HCFSA) Program

Your Welcome Kit Includes

- ~ Important Website Information
- ~ How to Submit HCFSA Claims
- ~ Instructions for Submitting Claims During 2019 Grace Period
- ~ Claims and Reimbursement Procedures
- ~ Monthly Claims Payment and Quarterly Statements
- ~ Over-the-Counter (OTC) Drug Claims (with prescription only)
- ~ HCFSA Claims Form
- ~ Medical Necessity Form
- ~ HCFSA Program HIPAA PHI Authorization Form

Procedures Guide

Plan Year **2019**

*Please visit the
Flexible Spending Accounts (FSA) Program
Website at nyc.gov/fsa
for detailed information on:*

- The Dependent Care Assistance Program (DeCAP)
- The Health Care Flexible Spending Account (HCFSA) Program
- The MSC Health Benefits Buy-Out Waiver Program
- The MSC Premium Conversion Program

You can select Forms & Downloads for:

- Plan Year 2019 Brochures and Enrollment/Change Forms
- FSA Program Claims Forms
- Medical Necessity Form
- HCFSA Program HIPAA PHI Authorization Form
- FSA Direct Deposit Enrollment/Change/Cancellation Form

How to Submit HCFSA Claims

Plan Year and Grace Period: You may file claims from January 1, 2019 through December 31, 2019 for Plan Year 2019. You may also submit claims incurred during the Grace Period (January 1, 2020 through March 15, 2020) using the remaining balance in your Plan Year 2019 account, if any.

Claims Run-Out Period: If you need time to obtain additional documentation from your health plan(s) and/or Welfare Fund(s) for claims incurred during Plan Year 2019 or the Grace Period, you may file claims from January 1, 2020 through May 31, 2020. The last day to submit all claims is May 31, 2020.

Medical Claims

- #1 - Submit all medical claims to your primary health plan
- ↓
- #2 - Submit remaining expenses to your secondary health plan or Welfare Fund's Superimposed Major Medical Plan (if applicable)
- ↓
- #3 - Obtain Explanation of Benefits Statements (EOBs) from both primary and secondary health plans
- ↓
- #4 - Complete an HCFSA Claims Form for remaining expenses and submit it along with your EOBs

Over-the-Counter (OTC) Drug Claims (with prescription only)

- #1 - Follow the checklist on the OTC drug claims instruction sheet enclosed in the HCFSA Procedures Guide to determine whether the product is eligible for reimbursement
- ↓
- #2 - Compile copies of doctor's prescriptions and itemized receipts from OTC drug purchases and indicate recipient's name on OTC receipt
- ↓
- #3 - Make copies of product boxes if receipts do not indicate which OTC drugs you purchased
- ↓
- #4 - Complete an HCFSA Claims Form and submit it with your receipts and doctor's prescription

Office Visit Co-Pays and Prescription Drug Co-Pays

- #1 - Compile receipts (or EOBs) indicating your co-pays
- ↓
- #2 - Complete an HCFSA Claims Form and submit it along with your EOBs or receipts

Dental and Vision Care Claims

- #1 - Submit all dental and vision care claims to your union or Welfare Fund
- ↓
- #2 - Obtain EOBs from your union or Welfare Fund
- ↓
- #3 - Complete an HCFSA Claims Form for remaining out-of-pocket expenses and submit it along with your EOBs

Hearing Aid Claims

- #1 - Submit all hearing aid claims to your union or Welfare Fund's secondary health plan such as a Superimposed Major Medical Plan (if applicable)
- ↓
- #2 - Obtain EOBs from your union or Welfare Fund's secondary health plan such as a Superimposed Major Medical Plan (if applicable)
- ↓
- #3 - Complete an HCFSA Claims Form for remaining out-of-pocket expenses and submit it along with your EOBs

Instructions for Submitting Claims During 2019 HCFSA Grace Period

What is the HCFSA Grace Period?

Previously, under the “Use It or Lose It” Rule mandated by the IRS, any amount contributed to your HCFSA but not claimed by the end of the Plan Year was forfeited. Now the IRS permits a Grace Period, which is an additional time period during which you may submit claims for eligible medical services received from January 1 through March 15 following the end of the Plan Year if you have a remaining balance in your previous Plan Year’s account. The Grace Period affords you an opportunity to use any remaining funds without having to forfeit your entire balance after the last day of the Plan Year.

The Grace Period during which you may use your remaining balance in your Plan Year 2019 account is from January 1, 2020 through March 15, 2020. (NOTE: The Claims Run-Out Period described below also applies to claims submitted during the Grace Period.)

What is the Difference Between the Grace Period and Claims Run-Out Period?

The Claims Run-Out Period, which runs from January 1, 2020 through May 31, 2020 is an additional time period during which you may submit outstanding or pending claims for services received during Plan Year 2019 or Grace Period 2019.

For example:

You received a medical service during Plan Year 2019, but did not receive an Explanation of Benefits (EOB) prior to the last day of the Plan Year (December 31, 2019) in order to submit a claim on time. You will have until the last day of the Claims Run-Out Period (May 31, 2020) to obtain your EOB and submit your claim.

You received a medical service during Grace Period 2019, but did not receive an EOB prior to the last day of Grace Period 2019 (March 15, 2020) in order to submit a claim on time. You will have until the last day of the Claims Run-Out Period (May 31, 2020) to obtain your EOB and submit your claim.

What Happens to My Remaining Balance from Plan Year 2019 if I Do Not Submit a Claim by May 31, 2020?

According to the IRS, if you do not submit a claim incurred during Plan Year 2019 or Grace Period 2019 by May 31, 2020, any amount remaining in your Plan Year 2019 account will be forfeited.

Health Care Flexible Spending Account (HCFSA) Program Claims and Reimbursement Procedures

Please follow these procedures for the expedient processing of your claims and note that medical care must be for expenses to diagnose, cure, mitigate, treat or prevent disease or to affect any structure or function of the human body.

1. Submit your Claims Forms once a month, on or before the last day of the month. (Minimum reimbursement amount requested must total \$50.00 unless current account balance is less than \$50.00.)
2. Attach the following documentation to Claims Forms:
 - Itemized bill or receipt from service provider, and
 - Explanation of Benefits (EOB) statement (issued by your health insurance carrier for medical expenses or Welfare Fund for dental, vision and/or hearing expenses, indicating benefits received and services for which payment has been requested)
 - Copy of product box for over-the-counter (OTC) drugs if receipt does not indicate name of the drug, and doctor's prescription.
3. Each EOB, bill, receipt, and Claims Form must contain the following information:
 - Name of patient receiving service
 - Type of service
 - Date of service
 - Amount of charge for service
 - Name of provider rendering service

Note: The date(s) of service(s) on the Claims Form must match the date(s) of service(s) on the EOB and the receipt or billing statement.

To obtain an EOB for medical, dental, vision, or hearing expenses, deductibles, or co-payments covered by any group health plan, you must first submit your expenses to your health insurance carrier and/or Welfare Fund. The health insurance carrier and/or Welfare Fund will send you an EOB stating what amount, if any, is covered by your health plan and/or Welfare Fund.

Please be advised that even if you know an incurred health care expense is not covered by your health insurance carrier and/or Welfare Fund, you still need to submit the claim first to your health insurance carrier and/or Welfare Fund to receive an EOB from them stating that your claim is not covered. In a situation where an EOB cannot be obtained, you may submit to our office, in lieu of the EOB statement, a copy of your health insurance and/or Welfare Fund Plan Document stating that the health care expense is not covered by your health insurance carrier and/or Welfare Fund.

If you have any further questions regarding your HCFSA claims, please call the HCFSA Administrative Office at (212) 306-7760.

Note: This instruction sheet was formulated to assist you in the submission of your claims. Please refer to this sheet throughout the Plan Year.

Health Care Flexible Spending Account (HCFSA) Program Claims Payments and Quarterly Statements

Monthly Claims Payment Statement

If claims are submitted and approved by the last day of each month, you will receive reimbursement by the end of the following month. At the end of each month, you will receive a monthly claims payment statement indicating claims processed for that month and amount of reimbursement issued.

The dollar amount of a claim that exceeds your annual benefit amount will not be paid and will be listed under "Amount Unpaid." Your available balance is equal to the amount you elected to contribute to the program, less the annual administrative fee and the total amount of claims paid from your account.

The year-to-date summary details your account activity. The following is an explanation of terms used:

Annual Election:	total yearly amount you elect to contribute to the program
Administrative Fee*:	up to \$4.00 monthly, up to \$48.00 annually
Benefit Amount:	your annual election less the up to \$48.00 annual administrative fee
Claims Submitted:	total amount of all claims submitted
Available Balance:	your benefit amount less the amount of claims paid
Amount Unpaid:	the dollar amount of claims submitted which exceeds the benefit amount
* The annual administrative fee may be adjusted by the FSA Administrator, but will not be greater than \$48 per program.	

Quarterly Statement

In addition to the information on your monthly claims payment statement, every calendar year quarter you will also receive a statement detailing all of your account activity, regardless of whether any claims were submitted for reimbursement during the quarter.

The following is an explanation of terms used:

Annual Election:	total yearly amount you elect to contribute to the program
Administrative Fee*:	up to \$4.00 monthly, up to \$48.00 annually
Benefit Amount:	your annual election less the up to \$48.00 annual administrative fee
Amount Reimbursed to Date:	total amount of all claims paid
Available Balance:	your benefit amount less the amount of all claims paid
Deposits:	total amount of contributions to the program in a given month (Note: Activity during the last pay period of the reported quarter may not appear until your next statement.)
Claims Submitted:	total amount of all claims submitted
Claims Paid:	total amount reimbursed to date from your account
Amount Unpaid:	the dollar amount of claims submitted which exceeds the benefit amount
* The annual administrative fee may be adjusted by the FSA Administrator, but will not be greater than \$48 per program.	

Note: This instruction sheet was formulated to assist you in the reading of your monthly claims payment and quarterly statements. Please refer to this sheet throughout the Plan Year.

Health Care Flexible Spending Account (HCFSA) Program

Over-the-Counter (OTC) Drug Claims (with prescription only)

Please follow these procedures for submitting claims for OTC drugs (with doctor's prescription only):

1. Submit your Claims Forms once a month, on or before the last day of the month. (Minimum reimbursement amount requested must total \$50.00 unless current account balance is less than \$50.00.)
2. Attach 3rd Party Receipt (not handwritten or printed by participant or recipient), which includes:
 - Name of drug;
 - Date the drug was purchased; and
 - Amount paid for the drug.
3. In the event that the receipt from the store in which the item was purchased does not specify the information listed in item number 2 above, you must submit, along with your receipt and Claims Form, additional documentation with identifying information that includes all of the information listed in item number 2. For example, you can include a photocopy of the original packaging (i.e., product box) bearing the product's name and/or the price tag on the package. For certain purchases, the Plan Administrator may require further documentation from your physician.
4. Attach copy of doctor's prescription.
Examples of items that are ineligible for reimbursement include:
 - Alternative medicines;
 - Cosmetics;
 - Dietary supplements;
 - Toiletries;
 - Vitamins;
 - Items that are used for your general well-being; and
 - Any OTC drug without a doctor's prescription.
5. OTC drugs must be directly related to the diagnosis, cure, mitigation, prevention or treatment of an illness or medical condition.

Note: Not all OTC drugs are eligible for reimbursement. Please refer to the checklist below to see if your purchase qualifies.

Is the purchase considered a drug or medical supply?



- If the answer is NO, you will not be reimbursed.
- If the answer is YES, answer the remaining questions:

If the purchase is a drug, did you receive a prescription from your doctor?



- If the answer is NO, you will not be reimbursed.
- If the answer is YES, answer the remaining questions:

Is the purchase merely beneficial to your general health?



- If the answer is YES, you will not be reimbursed.
- If the answer is NO, answer the remaining questions:

Is this drug or medical supply necessary for the treatment of disease or for the purposes of affecting any structure or function of the body?



- If the answer is YES, you will be reimbursed.
- If the answer is NO, answer the remaining questions:

Is this drug or medical supply necessary for the diagnosis or cure of disease or for the purposes of affecting any structure or function of the body?



- If the answer is YES, you will be reimbursed.
- If the answer is NO, answer the remaining question:

Is this drug or medical supply necessary for the mitigation (improvement) of disease or for the purposes of affecting any structure or function of the body?



- If the answer is YES, you will be reimbursed.
- If the answer is NO, you will not be reimbursed for this OTC purchase.

Note: This instruction sheet was formulated to assist you in the submission of your claims. Please refer to this sheet throughout the Plan Year.