



Claim Reimbursement Requirements



Health Reimbursement Arrangement (HRA) and Flexible Spending Accounts (FSAs) claims must be substantiated in accordance with Internal Revenue Service requirements, whether they are initiated via debit card or manual claim submission.



Debit Card Transactions

When a debit card transaction meets IAS requirements for pharmacy purchases or any of the copay matching rules for healthcare service providers, the transaction is auto-substantiated. Claims that are auto-substantiated do not need to be submitted manually to HSA Bank.

Transactions at Inventory Information Approval System (IIAS) Pharmacies

IIAS is a point-of-sale network with the ability to verify if a prescription purchased with an HRA/FSA card is an IRS-qualified medical expense. Today, a large majority of pharmacies are IIAS participants, including most major chains. The exceptions are, typically, rural or independent pharmacies. A list of IIAS pharmacies can be found at www.sig-is.org.

Copay Matching Table

If the underlying health plan has copays, these copays can be programmed into the HSA Bank administrative platform for auto-substantiation. When a transaction amount matches the copay amount and provider type, the claim is auto-substantiated and requires no further action by the member.

Recurring Reimbursement

When a member is having regular visits to a provider and the transaction amount is the same, those transactions can be auto-substantiated after the initial transaction is substantiated. The member is required to submit a receipt the first time an unsubstantiated purchase is made. All subsequent transactions for that member for that same expense with a matching dollar amount and merchant category code will auto-substantiate.



Manual Transactions

Claims for reimbursement can be submitted via Member Website, mobile application, mail or fax. Substantiation is required for all claim submissions.

HSA Bank processes almost all claims within 5 days of receipt of the claim.

Members either receive a reimbursement or Denial Letter with an explanation for denial or a request for additional information.

If a claim is not reimbursed because of insufficient substantiation, then member can re-submit the claim with updated documentation.

If the member feels the claim is an eligible expense with sufficient substantiation, he/she has the right to appeal the claim.



Substantiation Submission Process for Debit Cards

At the start of the substantiation process, if the debit card transaction is not auto-substantiated, the member will receive substantiation request communication(s).

The substantiation request letter notifies the member of the need for substantiation and the timeline (45 days from his/her receipt of the request) to provide the substantiation. More importantly, it explains how the member can submit substantiation on the Member Website, mobile app, mail or fax.

It is critical the member upload the substantiation to the specific transaction on the Member Website or mobile app. On mail or fax submissions, the substantiation request letter must be included in the submission.

The substantiation request communication process begins the day after the transaction date. Once the member submits the required substantiation, the subsequent communications are discontinued and no further action by the member is required.

Required Information for Claims Substantiation

- Name of person who incurred the service or expense
- Name and address of the provider or merchant
- Date service or expense was incurred
- Amount charged for the service or expense
- Detailed description of the service or expense



Reasons for Claim Denial

If the member's submission does not meet substantiation requirements or the product or service purchased is not eligible under IRS guidelines or the plan terms, the claim will be denied and placed in repayment status. Any claim that is not substantiated for any reason requires the member to reimburse the the plan for transaction amount.

In the event of a denied claim, the member receives a Claim Denial Letter notifying the member their claim has been denied and placed in repayment status, requiring the member to reimburse the plan for the transaction amount.

If the amount due is not repaid or offset by an eligible claim, the plan sponsor is responsible for taking appropriate action (e.g., withholding the amount from the member's pay or other compensation, reporting the amount as income on the member's Form W-2), in accordance with applicable laws. The plan sponsor can monitor unsubstantiated claim amounts by reviewing the Repayment Report located on the HSA Bank Employer Website.



Account Access During Substantiation

The member can still access their HRA or FSA by submitting claims directly to HSA Bank, the third party administrator, via Member Website, mobile app, mail or fax.

If a member with a claim in repayment status submits a claim directly to the HSA Bank via Member Website, mobile app, mail or fax, the reimbursement amount for that claim is offset by the amount due the plan.

Example: Member has a \$25 claim in repayment status and submits a claim for \$100. In this case, the claim in repayment status becomes resolved, and the member would receive a partial reimbursement of \$75 for the \$100 claim, and the member's debit card is reactivated.



Reasons for Claim Denial

Please note that the debit card may be suspended for unsubstantiated purchases. The card can be reactivated when the member takes either of the following actions:

1. Submit valid and complete substantiation for the transaction
2. Reimburses the plan for the transaction amount. This can be done on the Member Website via ACH or by sending a check to the plan administrator.



Please call the number on the back of your HSA Bank debit card or visit us at www.hsabank.com

