



Flexible Spending and Qualified Transportation Accounts Member Guide

UPMC Consumer *Advantage*®



UPMC Consumer *Advantage* includes a health care flexible spending account (FSA), a dependent care flexible spending account (DCA), and a qualified transportation account (QTA). These spending accounts are IRS-approved accounts that allow you to pay for eligible expenses with a portion of your salary that is not taxed.

You do not have to be a member of UPMC Health Plan to participate in a UPMC Consumer *Advantage* plan. You and your eligible dependents are all qualified to use this benefit.

Why should I participate?

Quite simply, because it may save you money! Why not pay with pretax rather than after-tax dollars for expenses you will undoubtedly incur? For each \$100 you earn, the government takes a minimum of 15 percent for federal taxes and 7.65 percent for Social Security/Medicare taxes. State taxes, if you have them, are taken out on top of that. This leaves about \$70 for each \$100 you earn.

Spending accounts allow you to redirect the money you spend on health care, dependent care, or commuter expenses into a separate account that is not taxed. For each \$100 you earn, you get the entire \$100 to spend on these types of expenses. Participating in one of these plans could save you hundreds of dollars each year.

Not all employers offer the plans listed in this brochure. Please consult your employer's benefit guide or summary plan document for eligible plans to determine which plans are available to you.

The amount you save in taxes with a flexible spending account will vary depending on the amount you set aside in the account, your annual earnings, whether or not you pay Social Security taxes, the number of exemptions and deductions you claim on your tax return, your tax bracket, and your state and local tax regulations. Check with your tax adviser for information on how participation will affect your tax savings.

Flexible Spending Account

What is a flexible spending account?

A flexible spending account is a tax-advantaged account that allows you to use pretax dollars to pay for out-of-pocket qualified medical or dependent care expenses.

With an FSA you elect to have your annual contribution (up to the limit set by the IRS) deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA does not count as taxable income, so you will have immediate tax savings. You can use FSA dollars during the plan year to pay for qualified expenses and services.

With all FSA account types, you receive access to a secure, easy-to-use consumer website where you can track your account balance, view your claim history, and submit requests for reimbursements.

In addition, you receive a convenient debit card to make it easy to pay for eligible services and products not covered by your health insurance. When you use your card, payments are automatically withdrawn from your account. Just swipe and go. It's that easy.

Save your receipts! Most expenses can be validated through the card transaction, but you may be prompted to provide a copy of the receipt for certain transactions according to IRS regulations. When required, receipts can be easily uploaded to either the *Consumer Advantage* website online or through the mobile app. It's as simple as taking a picture of the receipt, using the camera on your mobile device!

- Enjoy tax savings with pretax deductible contributions and tax-free reimbursements for qualified plan expenses.
- Quickly and easily access funds using the debit card at point of sale, or request to have funds directly deposited to your bank account online or via the mobile app.

- Reduce filing hassles and paperwork by using your debit card.
- Enjoy secure access to accounts through the convenient *Consumer Advantage* website available 24/7/365.
- Manage your FSA "on the go" with an easy-to-use mobile app.
- File claims easily online (when required) and let the system determine approval based on eligibility and availability of funds.
- Stay up to date on balances and action required with automated email alerts and convenient website and mobile phone messages.

Is an FSA right for me?

There are two types of FSAs: one to cover health care expenses and one to cover dependent day care expenses.

Health care FSA

A health care FSA is a prefunded account. You can use the funds in this account to pay for out-of-pocket expenses related to medical, prescription, dental, and vision costs. The entire amount you elect to put in the account for the year is available on the first day of your eligibility. You can pay for your own out-of-pocket costs or any of your dependents' costs.

A health care FSA could save you money if you or your dependents:

- Have out-of-pocket expenses like copays, coinsurance, or deductibles for health, prescription, dental, or vision plans.
- Have a health condition that requires the purchase of prescription medications on an ongoing basis.
- Wear glasses or contact lenses or are planning LASIK surgery.
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance.

Insurance premiums are not considered an eligible expense under an FSA.

Qualifying health care FSA expenses

The following is not a complete list of all eligible expenses. Purchases and expenses must fall within the legal definition of medical care as defined in IRS Code 213(d). Expenses and purchases can be incurred by the plan participant, spouse, or eligible dependent. Refer to your employer's summary plan description for details specific to your plan. For a complete list of 213(d) expenses, visit www.irs.gov/pub/irs-pdf/p502.pdf.

Eligible expenses

- Acupuncture
- Alcoholism treatment
- Ambulance transportation
- Arthritis gloves
- Artificial limbs
- Artificial teeth
- Asthma treatments
- Bandages, elastic, gauze pads
- Blood pressure monitors
- Braille books and magazines
- Breast pumps
- Breast reconstruction surgery following mastectomy
- Carpal tunnel wrist supports
- Chelation therapy
- Chiropractors
- Circumcision
- Coinsurance amounts
- Contact lenses, materials, and equipment
- Copayments
- Crutches
- Deductibles
- Dental sealants
- Dental treatment
- Dentures and denture adhesives
- Diabetic supplies
- Drug addiction treatment/treatment of drug overdose
- Egg donor fees
- Eye examinations, eyeglasses, equipment, and materials
- First aid kits
- Flu shots
- Fluoridation device or services
- Guide dog
- Hearing aids
- Hospital services
- Immunizations
- Laboratory fees
- LASIK eye surgery
- Learning disability, instructional fees
- Medical alert bracelet or necklace
- Medical information plan charges
- Medical monitoring and testing devices
- Medical records charges
- Norplant insertion or removal
- Obstetrical expenses
- Occlusal guards to prevent teeth grinding
- Operations
- Organ donors
- Osteopath fees
- Oxygen
- Patterning exercise
- Physical exams
- Physical therapy
- Preventive care screenings
- Prosthesis
- Psychiatric care
- Radial keratotomy
- Sleep deprivation treatment
- Sterilization procedures
- Sunscreen with SPF 15+ and "broad spectrum" sunburn creams and ointments (over-the-counter)
- Taxes on medical services and products
- TV/Phone for hearing impairment
- Thermometers
- Transplants
- Transportation expenses for person to receive medical care
- Usual and customary charges, excess
- Vaccines
- Walkers
- Wheelchair
- X-ray fees

Eligible expenses with a prescription

- Allergy medicine
- Antacids
- Antibiotic ointments
- Antihistamines
- Anti-itch creams
- Aspirin
- Calamine lotion
- Claritin
- Cold medicine
- Decongestants
- Diaper rash ointment and creams
- Diarrhea medicine
- Expectorants
- Eye drops
- Headache medications
- Hemorrhoid treatments
- Insect bite creams and ointments
- Laxatives
- Menstrual pain relievers
- Motion sickness pills
- Pain relievers
- Sinus medications
- Toothache and teething pain relievers
- Yeast infection medication

Dependent care FSA

A dependent care FSA provides pretax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or in school, and:

- Your dependent children under age 13 whom you claim as dependents on your federal income tax return attend day care, after-school care, or summer day camp. If divorced or legally separated, you must have custody for more than half the year.
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself. This person can include your spouse.

The IRS limits your contribution to \$5,000 per household each plan year (or \$2,500 if married, filing a separate tax return). Your total contribution cannot be more than your earned income or your spouse's earned income, whichever is less. Reimbursement funds become available as they are deducted from your pay.

Qualifying dependent care FSA expenses

- Nursery care
- Preschool
- Before-school and/or after-school care
- Day camp
- Elder day care

Dependent care FSA tips

- Dependent care FSA expenses are eligible only up to the contributions you have made at the time of your reimbursement request.
- The IRS limits your contribution to \$5,000 per household each plan year (or \$2,500 if married, filing a separate tax return). Your total contribution cannot be more than your earned income or your spouse's earned income, whichever is less.

Qualified Transportation Account

QTAs allow you to set aside pretax funds for eligible transit and parking expenses related to your commute to work, and are governed by IRC Section 132. If you have both a parking account and a transit account, each account is entirely separate, and you cannot transfer funds from one to the other. Transit and/or parking benefits are limited to your expenses only; reimbursement is not allowed for spouse or dependent transit or parking expenses. Unlike dependent care and health care FSAs, you can change election amounts each month. If submitting claims for reimbursement rather than using a *Consumer Advantage* debit card, you must file the claim within 180 days of the date of service.

The IRS sets maximum monthly pretax deduction and spending limits and adjusts these amounts annually. Check with your benefits plan to find out how much you can put aside.

Qualified parking expenses include the cost of parking your vehicle near your work or transit location. Qualified transit expenses include the cost incurred for commuting to work by vanpool or by mass transit, such as train, bus, subway, or ferry.

Transportation account tips

- Parking and/or transit benefits are limited to your expenses only; reimbursement is not allowed for spouse or dependent expenses.
- Unlike dependent care and health care FSAs, you can change election amounts each month.
- If submitting claims for reimbursement rather than using your UPMC *Consumer Advantage* debit card, you must file the claim within 180 days of the date of service.

**Mass transit may not be reimbursable under certain benefit plans. Please ask your employer whether they are included in your benefit plan.*

Health care FSA tips

- Be sure to estimate your health care expenses carefully, as money left unspent in your health care FSA at the end of the year will be forfeited if you are not able to spend it.
- To make enrolling in an FSA less risky, your employer may offer a grace period or a rollover option.

If your employer offers a grace period, the grace period allows you an additional 2½ months beyond the end of the plan year to incur eligible health care expenses. In other words, you would have a total of 14½ months to use your 12-month election. The rollover option would allow you to carry over up to \$500 of your unused health FSA balance into the next plan year.

Your employer can offer only one of these benefits and may not offer either. Check with your employer to see if it offers one of these options.

- The IRS requires that all FSA purchases be verified as eligible expenses. Always save your itemized receipts.
- The IRS also requires that employers make the full annual health FSA election available to employees when an eligible expense occurs, regardless of whether you have deposited enough to cover the full amount at that time.





Accessing and managing your UPMC Consumer *Advantage* account(s)

UPMC Consumer *Advantage* debit card

The UPMC Consumer *Advantage* debit card is a special-purpose Visa® that provides instant access to the funds in your UPMC Consumer *Advantage* account(s). You can use it for expenses associated with your health care FSA and transportation accounts. The card allows you to pay for eligible products and services at the point of sale without submitting a claim form and waiting for reimbursement.

It works like a Visa card, with the value of your account balance stored on it. When you have an eligible expense at a business that accepts Visa debit cards, you can simply swipe your card. The amount of the eligible purchases will be deducted — automatically — from the account, and the pretax dollars will be electronically transferred to the provider/merchant for immediate payment.

With UPMC Consumer *Advantage*, you will not have to routinely submit receipts verifying that you received the product or service. However, you may be required to confirm the eligibility of some card purchases to comply with IRS rules. Please keep all of your itemized receipts, and be prepared to provide them if you are requested to do so.

How the card works with your health care FSA

IRS regulations allow you to use the card at participating pharmacies, mail-order pharmacies, discount stores, department stores, and supermarkets that can identify FSA-eligible items at checkout and accept Visa cards. Eligible expenses are deducted from the account balance at the point of sale. You can find out which merchants are participating by visiting www.sig-is.org.

How the card works with QTA

The Consumer *Advantage* debit card maintains separate accounts, or “purses,” for all of your spending accounts. Card transactions are directed to the appropriate purse based on the merchant category code at the point of sale. And if you already have a card for your health care FSA, the commuter account(s) can be stacked on the same card.

UPMC Consumer *Advantage* website

With this secure, one-stop website, you have 24/7 access to view information and manage your health care FSA, dependent care FSA, and/or transportation accounts.

It enables you to:

- File a claim online.
- Upload receipts and track expenses.
- View up-to-the-minute account balances.
- View your account activity, claims history, and payment (reimbursement) history.
- Report a lost/stolen card and request a new one.
- Download plan information, forms, and notifications.
- Single sign-on from MyHealth OnLine.

The FSA Store

UPMC Consumer *Advantage* is excited to announce a new resource to help you make the most of your tax-free money. The FSA Store is the only e-commerce site exclusively focused on FSAs. FSA Store was founded to make using your FSA easy when you shop for eligible products. There is no guesswork about what is reimbursable by an FSA account because everything on the site is eligible.

You can access FSA Store through the UPMC Consumer *Advantage* website in order to easily shop for FSA-eligible products.

UPMC Consumer *Advantage* mobile app

Manage your spending accounts from the palm of your hand! Want to check your account balances and submit receipts wherever you are? We have an app for that!

- Quickly check available balances and account details for medical and dependent care FSA and transportation accounts.
- View charts summarizing account information.
- Set account alerts and get notifications via text message.
- View claims requiring receipts.
- Submit claims for medical and dependent care FSA and transportation accounts.
- Snap a photo of a receipt and submit as a new claim or add to an existing claim.
- Report a debit card as lost or stolen.

Use your device of choice — including iPhone, iPad, iPod touch, and Android smartphones and tablet devices.

Direct deposit

Get your money faster by choosing direct deposit today for your spending account claim reimbursements! With direct deposit you can receive your funds electronically directly into your personal bank accounts with peace of mind and without the hassle of paper:

- It's reliable.
- It's quick.
- It's simple.



Frequently asked questions

FSAs

What does it mean to incur expenses?

The IRS considers expenses to be “incurred” at the time you receive medical care or dependent care — not when you are formally billed or actually pay for services. Only eligible expenses you incur within the plan year, including any employer-allowed grace period, are eligible for reimbursement.

How often can I request reimbursements?

Reimbursements can be requested as often as qualified expenses are incurred. Expenses must be incurred during the plan year, and the reimbursement must be requested before the end of the run-out period (or grace period if applicable). Claims are reimbursed daily.

Can I change my election or stop contributing money to my FSA at any time during the plan year?

Federal regulations state that once you have enrolled in an FSA, you cannot change your election amount unless you have a qualifying life event. Your employer can give you a list of permitted change events.

Do I have to be enrolled in my employer's health plan to participate in the FSA?

You may enroll in the FSA plan even if you receive health care insurance another way. You may use your FSA for eligible expenses for all of your tax-qualified dependents.



What expenses are not eligible for reimbursement under the dependent care FSA?

- Dependent health care expenses
- Dependent care for children age 13 or older (unless disabled)
- Overnight camp
- Babysitting that is not work related
- Cost for kindergarten, primary, or secondary school (e.g., tuition for private schools)
- Long-term care services (e.g., nursing homes)



QTAs

What types of expenses are eligible for reimbursement?

Eligible parking expenses include the cost of parking your vehicle near your work or transit location. Eligible transit expenses include public transportation passes and van pool expenses, according to the following criteria:

- Transportation must take place between your residence and your place of employment.
- The vehicle must have a seating capacity of at least six adults (not including the driver).
- At least 80 percent of the yearly mileage must be used for travel between your home and your job.
- During these trips half of the seats must be occupied (not including the driver).

What expenses are not reimbursable?

Any non-work-related parking or transit expense for yourself and your dependents.

Do I have to use the debit card for my QTA expenses?

No. Even though the debit card is the recommended and primary method for reimbursement, you can still submit your request for reimbursement by using a hard copy form, mobile app, or online request through the UPMC Consumer *Advantage* website. Receipts are not usually necessary; however, you should always ask for one in case you need it or are audited.

For commuter accounts, per IRS guidelines, claims can be reimbursed only if they are submitted within 180 days of the date of service, up to the mandated maximums.



Debit Card

How many cards will I receive?

If you have a health care FSA and cover yourself and a spouse under the UPMC Health Plan medical plan, you will receive two cards. If you have only a qualified transportation account, one card will be issued.

Additional cards, if applicable, can be requested on the website for spouses and child dependents 18+ years of age.

Will I receive a new card each year?

No, you will not receive a new card each year. Cards are good until the expiration date (three years). If you maintain the same spending account plan, the card will be loaded with the new FSA annual election amount at the start of each plan year or incrementally with each pay period, based on the type of account you have.

What if the card is lost or stolen?

You can call Member Services at 855-492-8762, email consumeradvantage@upmc.edu, or visit your UPMC Consumer Advantage website or mobile app to report it lost or stolen. Your card will be deactivated, and a replacement will be automatically issued.

What are some reasons that the card might not work at point of sale?

The most common reasons why a card may be declined at the point of sale are:

- Insufficient funds in the account to cover the expense.
- Ineligible expenses included at the point of sale. (Retry the transaction with the eligible expense only.)
- Problems on the merchant's end (e.g., coding or swipe box issues).
- Inability of the pharmacy, store, or supermarket to identify FSA-eligible items at checkout, according to IRS rules.

Nondiscrimination Notice

UPMC Health Plan¹ complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, sex, sexual orientation, gender identity, or gender expression. UPMC Health Plan does not exclude people or treat them differently because of race, color, national origin, age, disability, sex, sexual orientation, gender identity, or gender expression.

UPMC Health Plan:

- Provides free aids and services to people with disabilities so that they can communicate effectively with us, such as:
 - Qualified sign language interpreters.
 - Written information in other formats (large print, audio, accessible electronic formats, other formats).
- Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters.
 - Information written in other languages.

If you need these services, contact the Member Services phone number listed on the back of your member ID card.

If you believe that UPMC Health Plan has failed to provide these services or has discriminated in another way on the basis of race, color, national origin, age, disability, sex, sexual orientation, gender identity, or gender expression, you can file a complaint with:

Complaints and Grievances
PO Box 2939
Pittsburgh, PA 15230-2939

Phone: 1-888-876-2756 (TTY: 711)
Fax: 1-412-454-7920
Email: HealthPlanCompliance@upmc.edu

You can file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019. TTY/TDD users should call 1-800-537-7697.

Complaint forms are available at www.hhs.gov/ocr/office/file/index.html.

¹UPMC Health Plan is the marketing name used to refer to the following companies, which are licensed to issue individual and group health insurance products or which provide third party administration services for group health plans: UPMC Health Network Inc., UPMC Health Options Inc., UPMC Health Coverage Inc., UPMC Health Plan Inc., UPMC Health Benefits Inc., UPMC for You Inc., and/or UPMC Benefit Management Services Inc.

Translation Services

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-855-869-7228 (TTY: 711).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-855-869-7228 (TTY: 711)。

CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-855-869-7228 (TTY: 711).

ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-855-869-7228 (телетайп: 711).

Wann du [Deutsch (Pennsylvania German / Dutch)] schwetzscht, kannscht du mitaus Koschte ebber gricke, ass dihr helft mit die englisch Schprooch. Ruf selli Nummer uff: Call 1-855-869-7228 (TTY: 711).

주의 : 한국어를 사용하시는 경우 , 언어 지원 서비스를 무료로 이용하실 수 있습니다 . 1-855-869-7228 (TTY: 711) 번으로 전화해 주십시오 .

ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Chiamare il numero 1-855-869-7228 (TTY: 711).

ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل برقم 1-855-869-7228 (رقم هاتف الصم والبكم: 711).

ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-855-869-7228 (ATS: 711).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-855-869-7228 (TTY: 711).

સુચના: જો તમે ગુજરાતી બોલતા હો, તો નિ:શુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે. ફોન કરો 1-855-869-7228 (TTY: 711).

UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-855-869-7228 (TTY: 711).

ATANSYON: Si w pale Kreyòl Ayisyen, gen sèvis èd pou lang ki disponib gratis pou ou. Rele 1-855-869-7228 (TTY: 711).

សម្គាល់៖ ប្រសិនបើអ្នកនិយាយភាសាខ្មែរ យើងមានផ្តល់សេវាជំនួយផ្នែកភាសាដោយមិនគិតថ្លៃ។ សូមទូរស័ព្ទទៅលេខ 1-855-869-7228 (TTY: 711)។

ATENÇÃO: Se fala português, encontram-se disponíveis serviços linguísticos, grátis. Ligue para 1-855-869-7228 (TTY: 711).



UPMC Consumer *Advantage*®

U.S. Steel Tower, 600 Grant Street
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www.upmchealthplan.com