

- ✧ IRS Regulation Affects Health Care Card
- ✧ "Keep Your Card"

IRS Regulation Affects Health Care Card Use

The Internal Revenue Service has issued Notice 2006-69, which impacts how faculty and staff enrolled in a Health Care Personal Spending Account (PSA) and those who receive the Flexible Reimbursement Account (FRA) can use their WageWorks health care debit card beginning January 1, 2007. In order to be in compliance with this IRS regulation, WageWorks — Vanderbilt's PSA and FRA administrator — must limit the locations at which the cards can be used.

Effective January 1, 2007, the WageWorks health care card cannot be used at discount stores, grocery stores, supermarkets, wholesale clubs, department stores, colleges and universities.

Merchants that are not affected by this new regulation are those that are designated with a 'health care merchant code'. Pharmacies, doctor's offices, and optical centers are examples of merchants where users can still pay with the VISA health care card.

"It is likely that all the merchant codes at Vanderbilt medical facilities and pharmacies have the necessary 'health care merchant codes,' but we can't guarantee that all card transactions at Vanderbilt will go through at the point of service," said Mike Creal, regional vice president at WageWorks. "Particularly at the beginning of the year, but anytime a participant visits a health care provider or storefront for the first time in 2007, we ask they take an alternative form of payment with them as a backup."

If an eligible purchase cannot be made with the card, the participant can simply pay for the item and then get a refund by filing a claim by fax or mail. The same WageWorks "Pay Me Back" form is used for the Vanderbilt Health Care PSA and the FRA. The form is available on the HR Web site (<http://hr.vanderbilt.edu/forms>) and



Keep these.



HMO: Keep. PPO: New.



New.




No card needed.

"Keep Your Card"

The Office of Benefits Administration has launched the 'Keep Your Card' campaign to make sure benefits-eligible faculty and staff hold on to certain identification cards for 2007. "ID cards for BlueCross, Caremark, CIGNA Dental HMO, and WageWorks VISA Debit Card will remain the same for 2007, so currently enrolled participants should keep their cards," said Jane Bruce, director of benefits.

Cards will be mailed to employees enrolled in the new Aetna Standard and Aetna Choice health options, and only to new enrollees in BlueCross Advantage P (remember, current BlueCross Preferred members should keep their cards). Also, CIGNA Dental PPO participants will get new cards.

No cards will be issued for the VSP Eye Care Plan. Participants can simply inform their provider they are enrolled in the plan when they receive services.

New enrollees in a Health Care Personal Spending Account (and newly eligible Flexible Reimbursement Account recipients) will receive a health care debit card from WageWorks. 

the WageWorks Web site (www.wageworks.com) and at HR Express, 2525 West End Avenue, second floor.

After the claim is processed, WageWorks will issue a check to reimburse the cost of the eligible purchase or participants can request to receive reimbursements via direct deposit.

"While this IRS regulation limits the convenience of the health care card, it doesn't affect the tax savings of the PSA," said Jane Bruce, director of benefits.

"This is an IRS program and we must comply with their rules in order to offer the benefit."

For more information, visit the IRS page of the WageWorks Web site (www.wageworks.com/irs.htm) or the HR Web site benefits page at <http://hr.vanderbilt.edu/benefits>. 