YOU MUST MAKE AN ELECTION.
In order to use the card and be eligible for the Electronic Payment Card, you must agree to abide by the terms and conditions of the Program as set forth herein and in the Electronic Payment Cardholder Agreement (the “Cardholder Agreement”) including any fees applicable to participate in the Program, limitations as to card usage, the Plan’s right to withhold and offset for ineligible claims, etc. You must agree to abide by the terms of the program both during the Initial Election Period and during each Annual Election Period. A Cardholder Agreement will be provided to you. The Cardholder Agreement is part of the terms and conditions of your Plan.

TWO CARDS WILL BE MAILED TO YOUR HOME ADDRESS.
The cards will be mailed to you in a nondescript envelope. Please be careful not to discard the mailing. You will need to sign the back of the cards, and in doing so, agree to the Cardholder Agreement.

THE CARD WILL BE TURNED OFF WHEN EMPLOYMENT OR COVERAGE TERMINATES.
The card will be turned off when you terminate employment or coverage under the Plan. You may not use the card during any applicable COBRA continuation coverage period.

YOU MUST CERTIFY PROPER USE OF THE CARD.
As specified in the Cardholder Agreement, you certify during the applicable Election Period that the amounts in your Health FSA will only be used for Eligible Medical Expenses (i.e. medical care expenses incurred by you, your spouse, and your qualifying dependents), that you have not been reimbursed for the expense and that you will not seek reimbursement for the expense from any other source. Failure to abide by this certification will result in termination of card use privileges.

HEALTH FSA REIMBURSEMENT UNDER THE CARD IS LIMITED TO HEALTH CARE PROVIDERS (including approved pharmacies and IIAS retailers).
See www.flores247.com for a listing of IIAS retailers and approved pharmacies.

YOU MUST PAY BACK ANY IMPROPERLY PAID CLAIMS.
If you are unable to provide adequate or timely substantiation as requested by Flores, your Claims Administrator, you must repay the Plan for the unsubstantiated expense. The deadline for repaying the Plan is set forth in the Cardholder Agreement. If you do not repay the Plan within the applicable time period, the card will be turned off and an amount equal to the unsubstantiated expense will be offset against future eligible claims under the Health FSA. If no claims are submitted prior to the date you terminate coverage in the Plan, or claims are submitted but they are not sufficient to cover the unsubstantiated expense amount, then the amount may be withheld from your pay (as specified in the Cardholder Agreement) or the remaining unpaid amount will be included in your gross income as taxable “wages.”

ELECTRONIC PAYMENT CARD
The Electronic Payment Card allows you to pay for Eligible Medical Expenses (see www.flores247.com for listing) at the time that you incur the expense.

PAYMENT FOR OTC ITEM CHANGES
Any over-the-counter drugs and medicines will now require a prescription from a health care provider in order to be reimbursable. Due to this change, debit cards cannot be used to purchase these items, though they may still be submitted using the traditional Paper Filing Process which is detailed at the end of this handout. These changes were effective January 1, 2011.

Flores & Associates
P.O Box 31397
Charlotte, NC 28231-1397
800-532-3327
1. Swipe the card at the health care provider like you do any other credit or debit card.

When you incur an Eligible Medical Expense at a doctor's office or pharmacy, such as a co-payment or prescription drug expense, you swipe the card at the provider's office much like you would a typical credit card. **There is no PIN Number required to use this card.** The provider is paid for the expense up to the maximum reimbursement amount available under the Health FSA (or as otherwise limited by the Program) at the time you swipe the card. Every time you swipe the card, you certify to the Plan that the expense for which payment under the Health FSA is being made is an Eligible Medical Expense and that you have not been reimbursed from any other source nor will you seek reimbursement from another source.

2. You must obtain and retain a receipt/third party statement each time you swipe the card.

You must obtain a third party statement from the health care provider (e.g., receipt, invoice, etc.) each time you swipe the card that includes the following information:
- The nature of the expense (e.g., what type of service or treatment was provided);
- The date the expense was incurred;
- The amount of the expense.

Even though payment is made under the card arrangement, a written third party statement is required to be submitted (except as otherwise provided in the Cardholder Agreement). You will receive a letter from Flores, your Claims Administrator that a third party statement is needed. You must provide the third party statement to the Claims Administrator within 45 days of the request. If documentation is not received within the requested timeframe then the card will be blocked from further use.

3. There are situations where the third party statement will not be required to be provided to the Claims Administrator.

There may be situations in which you will not be required to provide the written statement to the claims administrator. More detail as to which situations apply under your Plan is specified in the Cardholder Agreement:
- Co-Pay Match: As specified in the Cardholder Agreement, if the Electronic Payment Card payment matches a specific co-payment you have under the component medical plan for the particular service that was provided, then no further documentation is required. For example, if you have a $20 co-pay for physician's office visits, and the payment was made to a physician in the amount of $20, you will not be required to provide the third party statement to Flores.
- Inventory Information Approval System (IIAS): Most major providers accepting the Electronic Payment Card have an Inventory Control system which will eliminate the need for substantiation. Ineligible items will be declined at the point of sale at these participating merchants. For a list of eligible IIAS retailers please visit www.iias247.com.
- Recurring Expense Match: If you substantiate an expense for a provider, the same expense for the same dollar amount at the same provider will not require documentation for the rest of the plan year.

**IMPORTANT INFORMATION REGARDING PRESCRIPTION OVER-THE-COUNTER EXPENSES:**

All over-the-counter drugs and medicines must be submitted using the Paper Filing Process and will require a prescription from a health care provider. Please submit a prescription along with your receipts so we can reimburse you directly for these expenses.

**NOTE**

You should still obtain the third party receipt when you incur the expense and swipe the card, even if you think it will not be needed, so that you will have it in the event Flores does request it. All third party receipts should be kept for at least one year.

**PAPER FILING PROCESS**

You can use either the payment card or the traditional paper claims approach. You have the choice as to how to submit your eligible claims. If you elect not to use the electronic payment card, you may also submit claims under the Traditional Paper Claims approach. Claims for which the Electronic Payment Card has been used cannot be submitted as Traditional Paper Claims. To file a paper claim, download the reimbursement form from www.iias247.com. You will be reimbursed via check or direct deposit based on the reimbursement schedule selected by your employer.