



2024 | FLEXIBLE SPENDING ACCOUNTS



UNIVERSITY HUMAN RESOURCES
BENEFITS OFFICE
UNIVERSITY OF MICHIGAN

FILING HEALTH CARE FSA CLAIMS FOR REIMBURSEMENT

You may file a claim for reimbursement only after you or your dependent receives the eligible health care services, even if you paid in advance.

Filing a Claim

Submitting a claim online:

To reimburse yourself:

- Login at payflex.com by entering your username and password, then click Submit.
- Click on File a Claim and select Pay Me.
- Enter your claim information: type of expense, date of expense and the amount of expense. To add additional claims, select Add Claim.
- Once you have entered in all of your claims, click Submit.
- Confirm all expense details, then click Submit. If you need to make changes, click Previous.
- Select “Fax” or “Upload” for your document choice. In order to upload your receipts, they will need to be scanned into a PDF format.
- If you selected “Fax,” click on Web Claim Coversheet, then print and sign the form. Fax your claim and itemized receipts to (855) 703-5305.
- If you selected “Upload,” use the Browse button to upload an electronic document from your computer. To add additional documents, click on Add Additional Documents. After uploading your documents, you must check the Signature box at the bottom of the page to electronically sign your claim. If submitting dependent care claims, please make sure the provider’s signature is legible.
- Click Submit. If you enrolled in eNotify, you will receive an email from PayFlex notifying you when your claim has been processed.

To reimburse a provider:

- Login at payflex.com by entering your username and password, then click Submit.
- Click on File a Claim and select Pay Them.
- Enter a new provider or select a payee from your current list and click Next.
- Enter your contact number, statement date, invoice number, patient name and any comments you may have.

- Fill in your claim information and click Next.
- Verify your claim information is correct and click Next.
- Choose to fax or upload your documentation and click Select.
- You will receive a confirmation email from enotify@payflex.com

Submitting a Paper claim via Mail or Fax

- Login to your account download a claim form.
- Complete the fillable Form by entering your claim information.
- Print and sign the form.
- Mail the completed form and itemized receipts to:
PayFlex Systems USA, Inc.
P.O. Box 8396
Omaha, NE 68108-0396

(Or) FAX the completed form along with the itemized receipts to (855) 703-5305. PayFlex processes claims daily to ensure prompt reimbursement. If the expenses are eligible and all necessary documentation has been provided with your claim form, your claim should be paid on a timely basis.


Paying for Claims with the Spending Account Card

The PayFlex Card lets you pay for purchases directly from your account and reduces the number of claims you have to file.

The Spending Account Card:

- offers easy access to account funds;
- works like a credit card, only the funds are deducted from your FSA;
- updates your account balance and transaction history in real-time; and

You will automatically receive the PayFlex Card when you newly enroll in the Health Care Flexible Spending Account program.



You may only use the Spending Account card at establishments that have implemented an Inventory Information Approval System (IIAS). A listing of retailers supporting the IIAS infrastructure can be found at sig-is.org.

If you pay your medical expenses with your PayFlex Card, request itemized receipts and save them. PayFlex will require this documentation to substantiate your claim. If an itemized receipt cannot be provided, you may be requested to pay back the amount you were reimbursed.

To order additional cards for a spouse or dependent go to payflex.com. Click on Login, then click on “Manage my debit cards” from the left navigation bar, then select card order.

Spending Account Cards are not available for Dependent Care Accounts.

Other Important Guidelines

- The Health Care FSA does not replace your insurance plan. You should first submit your claims to your health care, prescription drug, dental, or vision plan for payment according to the plan limits. Remaining out-of-pocket expenses can then be submitted to PayFlex for reimbursement.
- You must submit claims yourself; claims submitted by a spouse or other family member will be returned.
- Be sure to submit copies only or keep a copy for your records if you submit original receipts; PayFlex does not return bills or receipts.
- PayFlex will not accept cancelled checks in lieu of a bill or receipt. Statements showing only previous balances—or the amounts paid or balances due—are not acceptable documentation.
- You must certify on the claim form that your expenses are eligible under the program by signing the form. PayFlex will not process a claim if the form does not include your signature.
- With the Health Care FSA, you have access to the total amount you elected for the plan year as soon as eligible expenses are incurred.

Changing Your Health Care FSA Election

You can always change your contribution during Open Enrollment (usually held in October); changes made during Open Enrollment are effective January 1. You can enroll in the Health Care FSA for only one year at a time, so if you do not enroll during Open Enrollment, your participation in the Health Care FSA will end on December 31.

Certain changes in status may also provide an opportunity in which you may start or stop participating or change the amount of your Health Care FSA contribution during the plan year. Changes in status are identified by Section 125 of the Internal Revenue Code. IRS rules require that changes to participation and/or to contribution amounts during the plan year must be made on account of and consistent with an eligible change in status. An election change is "consistent" if that change is "on account of" and "corresponds" with a change in status event that effects eligibility for coverage.

The chart on page 22 identifies permissible events that allow a mid-year change in your Health Care FSA and the corresponding election change that may be made. You must contact the SSC Contact Center within 30 days of the event and be prepared to provide documentation of the change upon request.

To request a change, visit hr.umich.edu/fsa-forms-documents and download and complete the Dependent Care Flexible Spending Account Request for Change in Status form and return your signed form to SSC.

The chart on page 22 identifies permissible events that allow a mid-year change in your Health Care FSA and the corresponding election change that may be made. You must contact the SSC Contact Center within 30 days of the event and be prepared to provide documentation of the change upon request.

Important Points to Remember

Changes in deduction amounts will be effective the first day of the month following the receipt of the authorization form or date of eligibility, whichever is later.

The IRS rules that allow mid-year changes in a Health Care FSA are much more restrictive than otherwise permitted for enrollment under a pre-tax health insurance plan or a Dependent Care FSA. While you may be allowed to make changes to other coverage options under some of the following situations, changes to your Health Care FSA are not permissible if:

- you move inside or outside of an HMO service area and change your health insurance option;
- your annual earnings decrease due to a change in your appointment percentage or other job change, and you still remain eligible to participate in the university's Health Care FSA; or
- your anticipated health/dental/vision costs increase or decrease due to unanticipated factors. Some examples include the following situations:
 1. you funded your FSA with an expectation of having LASIK eye surgery and were advised you were not a good candidate for surgery;
 2. you funded your FSA with an expectation of having extensive dental work done. Scheduling issues by your dentist's office resulted in the needed work to be carried over several months, and all of the work could not be completed before the end of the plan year;
 3. you funded your FSA with an expectation of having limited out-of-pocket expenses for the year. Midway through the year, your dependent required outpatient mental health treatment that was only partially covered by your health plan, resulting in significant out-of-pocket expenses; or
 4. you funded your FSA with an expectation of continued use of a particular prescription drug at a fixed co-pay amount. Your PCP determined it was necessary to change the medication to a drug with a higher co-pay, or your condition improved and you no longer needed to take the drug.

These are but a few examples, but they share one common theme the IRS has ruled on: The employee's intent when signing up for the Health Care FSA is not relevant. The Health Care FSA remains available to reimburse out-of-pocket medical expenses and a mid-year change is not allowed under these or any other similar circumstances. Please keep this in mind when deciding how much to contribute to a Health Care FSA. You forfeit any contributions you cannot claim.

Change in Status Event

Changes You May Make to Your Health Care FSA

Change in Your Legal Marital Status (marriage; death of spouse; divorce; or annulment)

- If you marry, you may increase your election when a family member is added; or decrease your election if: (i) you, your spouse or dependents become eligible under your new spouse's employers' medical plan; and (ii) your spouse is a participant in his or her employer's plan, and (iii) coverage for the affected individual becomes effective or is increased under the other employer's plan.
- If you cease to be married, you may decrease your election for the former spouse who loses eligibility. You may enroll in or increase your own election only if you have lost coverage under your former spouse's medical plan.

Change in Number of Your Tax Dependents (birth; death; adoption; or placement for adoption)

- If you gain a dependent, you may enroll in or increase your election for the newly acquired dependent.
- If you lose a dependent, you may decrease your election for the dependent who loses eligibility.

Changes in Employment Status That Affect Eligibility of the Employee, the Employee's Spouse, or the Employee's Dependent (termination or commencement of employment; strike or lockout; commencement of or return from an unpaid leave of absence)

- If you terminate employment or go on an unpaid leave of absence, you may change your election amount or terminate coverage if some other qualifying change in eligibility occurred during the leave.*
- If you return from unpaid leave of absence, you may start an account or change your election amount if some other qualifying change in eligibility occurred during the leave.*
- If your spouse terminates employment, or goes on an unpaid leave of absence, you may enroll in or increase your election if your spouse or dependent loses eligibility for participation in their employer's medical plan.
- If your spouse or dependent commences employment or returns from an unpaid leave that triggers a gain in eligibility under his or her employer's plan, you may decrease your election if your spouse or dependent gains eligibility and enrolls in his or her employer's medical plan.
- For U-M employees enrolled in a HCFSA an increase in hours does not allow you to change your HCFSA.

Dependent Satisfies or Ceases to Satisfy Eligibility Requirements (gain or loss of dependent status as defined by IRC Section 152)

- If your dependent gains eligibility, you may enroll in or increase your election to take into account the expenses of the affected dependent.
- If your dependent ceases to be eligible, you may decrease your election to take into account the ineligibility of the expenses of the affected dependent.

Certain Judgments, Decrees, or Court Orders

- If a judgment, decree, or court order from a divorce, legal separation, annulment, or change in legal custody requires that accident or health coverage for your dependent child (including a dependent foster child) be provided by:
 - you, you may change your Health Care FSA election to provide the child with corresponding coverage.
 - your spouse, former spouse, or other individual, you may change your Health Care FSA election to decrease corresponding coverage for the child if the other individual actually provides the coverage.

Eligibility for Medicare and Medicaid

- If you, your spouse, or your dependent:
 - are enrolled in the university's medical benefit plan, and become entitled to and enroll in Medicare or Medicaid (other than coverage solely for pediatric vaccines), then for that individual you may decrease your Health Care FSA election, if the Medicare/Medicaid coverage is more comprehensive—or increase it if university coverage was more comprehensive.
 - lose eligibility for Medicare or Medicaid, then for that individual you may increase your election—or decrease it where the university's plan is more comprehensive.

* Refer to "Special Circumstances That May Affect Claims Payment" on page 23 for further information about coverage during an unpaid leave of absence and termination of employment.

SPECIAL CIRCUMSTANCES THAT MAY AFFECT FSA CLAIMS PAYMENT

Contact the SSC Contact Center if you experience one of the following special circumstances:

Leaves

During periods when you are not receiving a salary from the university, you can contribute to a Health Care FSA, but you cannot contribute to a Dependent Care FSA.

Such periods include:

- a leave of absence (Leave);
- reduction in force (RIF); or
- a leave under the Family Medical Leave Act (FMLA).

Though you can during these periods continue to submit claims for expenses incurred within the appropriate calendar year, the procedures vary depending on the type of account involved.

Health Care FSA

- You may only receive reimbursements for services incurred during periods when you contribute to the account.
- If you wish to receive reimbursements during a Leave or other period when you are not receiving a salary, you must make after-tax contributions to your Health Care FSA. Reimbursements will be based on the total amount you elect for the year and will be paid upon request.
- When you return from a Leave or RIF to an appointment eligible for benefits within the same year, your monthly or bi-weekly FSA payroll contribution amounts will increase in order to reach your annual contribution amount if you did not cancel your participation at the start of your leave or request a change upon your return if permissible.

Dependent Care FSA

- You may continue to submit claims for expenses incurred from January 1, 2023 through March 15, 2024.
- The amount of the reimbursements will be subject to the balance in your account. If there are sufficient funds, claims will be honored upon request.
- When you return from a Leave or RIF to an appointment eligible for benefits within the same year, your monthly or bi-weekly FSA payroll contribution amounts will increase in order to reach your annual contribution amount.

COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you to continue your Health Care FSA with after-tax contributions even after losing your eligibility to participate (for example, due to termination of your employment).

To submit claims for expenses incurred after you become eligible for COBRA, you must continue your account through COBRA.

A letter explaining your rights and responsibilities under COBRA will be mailed to your home within six weeks after you enroll in university benefits as a new hire or newly eligible faculty or staff member. Please read the letter carefully and keep it with your records for future reference, if necessary. If you do not receive the letter, call the SSC Contact Center.



RESOURCES FROM PAYFLEX — THE FSA CLAIMS PROCESSOR

The university contracts with an external vendor, PayFlex, to handle claims processing for its Health Care and Dependent Care Flexible Spending Accounts (FSAs). PayFlex is a leading nationwide provider of administration for employee benefit programs with over 20 years of experience. PayFlex provides a broad range of services to several thousand employers including many Fortune 500 companies. PayFlex is headquartered in Omaha, NE, with 14 locations nationwide.

Customer Service

The website: payflex.com is designed to provide you with the necessary information you may want to know about your flexible spending account(s). Should you need to speak to a customer service representative, call 877-343-1346 from 8:00 a.m. – 8:00 p.m. EST, Monday through Friday and 10:00 a.m. – 3:00 p.m., EST, Saturday.

Claims Processing

As you incur healthcare and/or dependent daycare expenses, you may submit a claim for reimbursement online at payflex.com via Express Claims or complete a paper claim and fax or mail to PayFlex. Your FSA dollars will be used for reimbursement which will be provided by check or direct deposit into your bank account. You may elect to have your reimbursements deposited directly into your checking or savings account, simply by providing your account information online via the Direct Deposit link at payflex.com.

Submitting Claims online

The process for submitting a claim online using Express Claims is quick, easy and always available.

Simply go to payflex.com, click on Login and enter your username and password, then click Submit. Select Express Claims located on the left navigation bar, then enter your claim information; type of expense, date of expense, and the amount of expense. To add additional claims, select Add Claim. Once you have entered all your claims, click Submit, review your claim information and confirm by clicking Submit. You will have the option to “Fax” or “Upload” your supporting documentation. Uploading your documentation will allow PayFlex to process your claim quicker. If you select “Fax,” print and sign the form and fax your claim and itemized receipts or Explanation of Benefits (EOB) to 855-703-5305. You will receive an email from PayFlex notifying you when your claim has been processed.

Information Available Online

To check the balance in your account, view transactions, or your claim history, go to payflex.com, click on Login and enter your username and password, then click Submit. On the accounts page, click Select for the plan year you wish to view. You will be able to access your account balance, as well as claim and transaction history. You will also find the following information online:

- FSA Tutorial
- Savings Calculator
- Expense Planning Worksheets
- Listing of Eligible and Ineligible Expense Items
- Frequently Asked Questions
- Administrative Forms and Publications
- IRS Forms and Publications

In addition, PayFlex has established partnerships with various online vendors to help you spend your FSA dollars more efficiently. Accessible via the PayFlex website, you can buy items such as glasses, contacts, and eligible over-the-counter medication using your PayFlex Card, or any other major credit card. When using your own credit card, make sure to keep the receipt from your purchase and submit to PayFlex along with a claim form for reimbursement.



The PayFlex Card

The PayFlex Card is similar to a debit card because it electronically accesses your healthcare account to pay for eligible expenses. You can use the card at qualified merchant locations where MasterCard is accepted. The PayFlex Card is accepted at healthcare merchants as well as non-healthcare merchants who have implemented an inventory information approval system (IIAS). Qualified merchants include physician and dental offices, hospitals, mail order prescription vendors, hearing and vision care providers. The card can also be used at discount stores, grocery stores, and pharmacies, provided the merchant has implemented an IIAS.

It is important you keep all itemized receipts and Explanation of Benefits (EOBs) in the event the information is requested by PayFlex to comply with IRS regulations. An itemized receipt includes the date of purchase or service, name of merchant or service provider, description of product or service and amount of purchase.

You will receive a letter from PayFlex requesting documentation of an expense, which would require you to submit this information to comply with IRS regulations. The letter identifies the transactions that require substantiation and asks you to provide documentation within 21 days. If substantiation is not received, a second letter is sent reminding you of your responsibility to provide documentation and will give you an additional 21 days to respond. **If documentation is not provided, the Spending Account card will be temporarily inactivated and paper claims will be used to offset outstanding amounts.** You may also elect to repay the plan.

When the card is temporarily inactivated and you log onto PayFlex, a pop-up alert will display. In addition, PayFlex will send a monthly email reminding you of your current account condition. Note: you must sign up for eNotify in order to receive this or any other email from PayFlex.

Will I receive a new PayFlex Card each year?

Your PayFlex Card is valid for at least a three-year period so you may not receive a new card when you re-enroll in the program. Please refer to the expiration date printed on your PayFlex Card. A new card will automatically be mailed to you prior to your card's expiration date.

CLAIM DENIAL AND APPEAL PROCEDURES

If a claim is denied in whole or in part, the claimant will receive an Explanation of Benefits (EOB) form from PayFlex. The EOB will include:

- the specific reason(s) for the denial; and
- a description of any additional material or information necessary to perfect the claim and an explanation of why the material or information is necessary.

If a claim for benefits is denied in whole or in part, or if you or your dependents believe that benefits under the Health Care FSA plan to which you are entitled have not been provided, an appeal process is available to you. You, your dependents, or your authorized representative may appeal in writing to PayFlex after the denial is received.

SICK CHILD/EMERGENCY BACKUP CARE PROVIDED THROUGH KIDS KARE AT HOME

A Service of the Work/Life Resource Center

When you enroll in a Flexible Spending Account (FSA), you may be able to request reimbursements for the amounts you pay for Kids Kare at Home services.

Kids Kare at Home, a service offered to University of Michigan families through the Work/Life Resource Center, provides sick or emergency backup care in the child's own home. Kids Kare at Home is available for children ages 13 and under, or for older children with special needs who cannot be left alone.

To use the Kids Kare at Home service, you must register through the Work/Life Resource Center, which has contracted with a home health care agency that has provided this service to southeastern Michigan since 1982. The caregivers are carefully screened and are trained in childhood illnesses, child development, and CPR. The agency is bonded, and all caregivers have had criminal background checks.

You are eligible to utilize Kids Kare at Home if you are a:

- regular faculty or staff member at the Ann Arbor, Dearborn or Flint campus; or
- graduate or undergraduate student enrolled at least half time at the Ann Arbor campus.

Temporary employees and staff members who do not have at least a half-time appointment are not eligible.

Each family can use a maximum of 48 hours of service during each 12-month period, and there is a four-hour minimum charge each time you use the service. The university partially subsidizes the cost of the program. You may pay privately for additional hours, if needed, by making arrangements directly with the agency. Anything beyond the initial 48 hours will be billed at the unsubsidized rate.

To register for Kids Kare at Home, or to obtain additional information, call the Work/Life Resource Center at: 734-936-8677 or visit us online at: hr.umich.edu/worklife/kidskare/



**Published by
Benefits Office**

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PHONE 734-615-2000 or
866-647-7657 (toll-free for off campus
long-distance calling)
FAX 734-763-0363
WEB hr.umich.edu/benefits-wellness

SSC Contact Center

Representatives are available by phone Monday-Friday, 8:00 a.m.–5:00 p.m., 734-615-2000 locally, 5-2000 from the U-M Ann Arbor campus, or 866-647-7657 (toll-free for off-campus long-distance calling). SSC unavailable daily from 1 – 2 p.m.

The Benefits Office is a unit of University Human Resources.

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The information in this book is effective January 1 - December 31, 2024.