



MEDICAL



DENTAL

PRESCRIPTIONS



VISION



## Important Information About Your TexFlex Card Validation

Since TexFlex accounts are tax-free, the Internal Revenue Service (IRS) requires all card purchases to be validated. Even though every effort will be made to validate the expense on your behalf, you may be asked to submit proof that you used your card for an eligible expense so **PLEASE SAVE YOUR RECEIPTS!**

### Using Your Card at Retail Locations

The IRS requires all non-healthcare business (including retail, discount, groceries and online stores) to have an Inventory Information Approval System (IIAS) to accept TexFlex account cards. This system allows the store to identify each item in your overall purchase and note which items are "eligible" for payment from your TexFlex account and which items are not eligible. Any eligible items purchased at a merchant with IIAS will be validated automatically. To see if your favorite store has an IIAS, visit [www.sigis.com](http://www.sigis.com) and click "IIAS Merchant List".

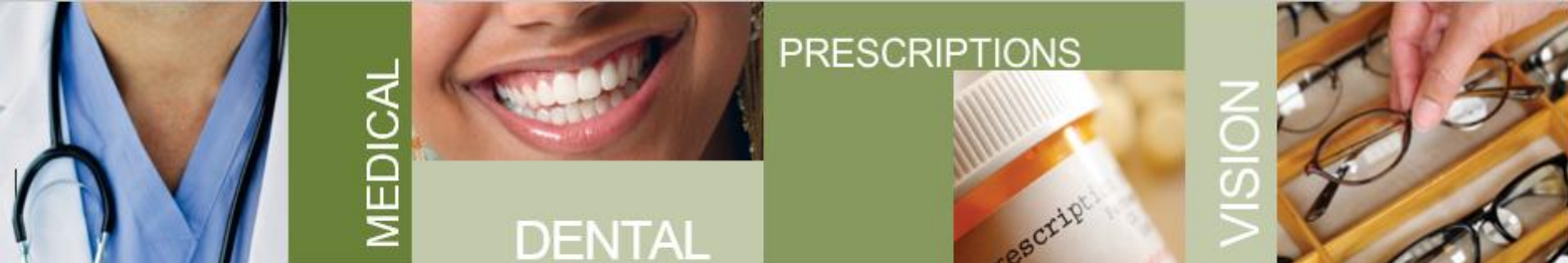


See the chart below for instructions on where and how to use your card based on what is important to you.

I PREFER TO SEND IN AS FEW RECEIPTS AS POSSIBLE	I PREFER TO USE MY CARD WHENEVER POSSIBLE
<p><b>Minimize the number of times you're asked for a receipt by:</b></p> <ul style="list-style-type: none"> <li>• <b>using your card</b> for copays associated with health, dental, vision or prescription coverage only for individuals covered under the TexFlex plan.</li> <li>• <b>using your card</b> for over-the-counter items only at locations that have an IIAS in place. A list of IIAS retailers is available at <a href="http://www.sigis.com">www.sigis.com</a> under "IIAS Merchant List".</li> <li>• <b>not using your card</b> to pay out-of-pocket coinsurance expenses.</li> <li>• <b>not using your card</b> to pay out-of-pocket expenses at your health, dental or vision provider if you are NOT ENROLLED in your employer's respective benefit plan.</li> </ul>	<p><b>You will be required to submit a receipt when:</b></p> <ul style="list-style-type: none"> <li>• <b>using your card</b> for any copays associated with health, dental, vision or prescription coverage, without regard to whether the coverage is provided by your employer.</li> <li>• <b>using your card</b> for over-the-counter (OTC) expenses at either IIAS retailers or eligible "90% Merchants"**. A list of these retailers is available at <a href="http://www.sigis.com">www.sigis.com</a> under "90% Rule Merchant List".</li> <li>• <b>using your card</b> to pay out-of-pocket coinsurance charges.</li> <li>• <b>using your card</b> to pay for expenses at your health, dental or vision provider even if you are not enrolled in your employer's respective benefit plan that covers those expenses. In most of the situations outlined above, you will be required to provide a receipt that the card swipe was for an eligible expense.</li> </ul>

\* The Special Interest Group for IIAS Standards (SIGIS) was formed to produce and promote a voluntary industry standard solution to meet IRS requirements for operating an inventory information approval system (IIAS). Walgreens is not a member of SIGIS but does have an IIAS in place.

\*\* 90% Merchants have passed specific criteria to certify that at least 90% of the products they sell are eligible under spending account plans.



## How Card Transactions are Automatically Validated

The following methods are used to automatically validate card purchases on your behalf.

### 1. Inventory Information Approval System (IIAS)

The retailer's point of sale system identifies eligible spending account purchases by comparing the UPC or SKU number for the items being purchased against a pre-established list of eligible expenses. The IRS requires an IIAS for card transactions to be accepted at non-healthcare merchants. IIAS transactions are considered fully substantiated. A list of IIAS retailers is available at [www.sigis.com](http://www.sigis.com).

### 2. We Match Your Copay

If you participate in a GBP-sponsored health, dental, vision or pharmacy plan that includes a copay amounts, transactions for these amounts will be automatically validated.

### 3. We Work With Your Insurance Company

We work to develop partnerships with health, dental, vision and pharmacy insurance carriers to match card transactions against eligible out-of-pocket expenses. If the dollar amount and the date matches exactly, your purchase will be automatically validated and you will not be asked to submit supporting documentation. However, if there is any difference between what the healthcare provider collected from you on the date of service and the actual amount the insurance company determined you should have paid out of pocket, the transactions will not match and you will be asked to provide a receipt.



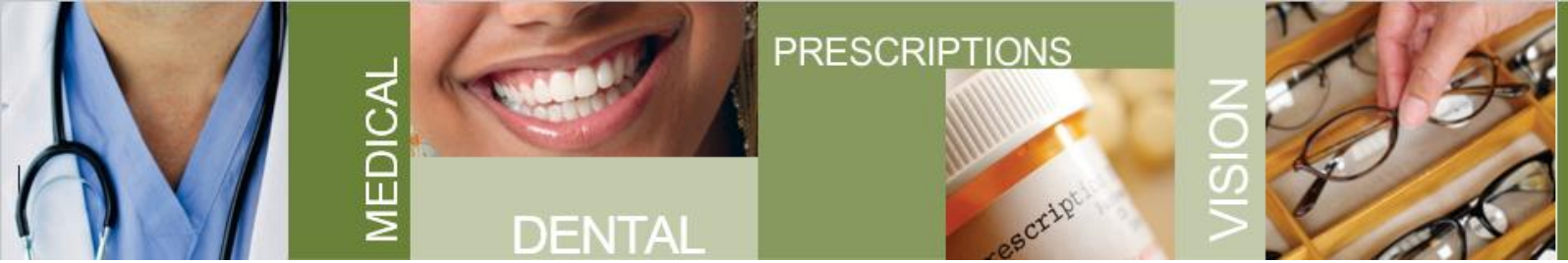
### 4. We Match Recurring Transactions

If your card transaction is still unsubstantiated after going through all of the previous processes, we will attempt to automatically substantiate recurring card transactions that match previously-approved expenses when ALL of the below criteria have been met.

- The amount of the card transaction matches a previously approved claim.
- The provider name from the transaction exactly matches the previously approved claim.
- The type of transaction (e.g., medical, dental, vision) matches the previously approved claim.
- The "matched" substantiated claim transpires within a time frame that is eligible for recurring transactions, typically the same benefit year.



Mail Order Pharmacy 123 Main Street Anytown, TX 12345		Mail Order Pharmacy 123 Main Street Anytown, TX 12345	
DATE:	04/12/17	DATE:	08/24/17
Rx	\$ 4.87	Rx	\$ 4.87
12-654321		48-329874	
Rx	\$ 7.38	Rx	\$ 7.38
38-234598		51-239822	
Subtotal	\$12.25	Subtotal	\$12.25
Tax	\$ 0.74	Tax	\$ 0.74
Total	\$12.99	Total	\$12.99



Use the below comparison to determine if your card purchase may require a receipt.

TYPE OF PURCHASE	MAY BE AUTOMATICALLY VALIDATED	MAY REQUIRE A RECEIPT
Copay from your employer's insurance plan(s)	■	
Purchase at an IIAS participating merchant	■	
Purchase at a non-IIAS merchant		■
Purchase at a pharmacy or drug store abiding by the 90% rule		■
Paying your provider from an invoice sent after the date of service		■
Paying for services not covered by your employer's insurance plan		■
Paying more than the amount of any five copays in one day		■
Paying your provider a "down payment" on your total out-of-pocket expense		■
Paying your provider on the date of service for services covered by a GBP health plan when the out-of-pocket expense provided by your insurance carrier is an exact match	■	
Using your card to pay for services for your dependents who are not covered under your employer's plans		■ (Except at an IIAS merchant)

## Frequently Asked Questions

### What If I Don't Have A Receipt?

You have two options:

1. Incur new, eligible expenses purchased with a form of payment other than your TexFlex card and submit these as new claims. You can also submit claims for expenses that you have not previously submitted and that were not purchased with your TexFlex card. For a list of eligible expenses, visit [TexFlexERS.com](http://TexFlexERS.com) and click "Program Resources".
2. Send a check for the item that cannot be validated.  
Checks should be sent to:  
Spending Accounts  
PO Box 34700  
Louisville, KY 40232

### What If I Don't Submit My Receipts?

If you don't respond to a receipt request, your TexFlex card may be suspended until you do so or until you submit a new claim.

### What If I Have Questions?

If you have any questions or need account information, visit [TexFlexERS.com](http://TexFlexERS.com) or call TexFlex Customer Care toll-free at 1-844-884-2364. Customer Service representatives are available Monday through Friday, 7 a.m. to 7 p.m., Central Time, excluding holidays.

### Validation Is Not Automatic When Using The Card. SAVE YOUR RECEIPTS!

The use of the TexFlex card provides immediate access to your spending account funds but does not guarantee that the expense can be validated as eligible without your receipt. **Because the IRS requires that each expense be validated, it is important that you only spend your funds on eligible items and that you keep the detailed receipt or an Explanation of Benefits (EOB) from your insurance carrier for each expense.**