



Prepaid Benefits Cards for Flexible Spending Accounts (FSAs) Generate Growth and Satisfaction

In a recent Evolution Benefits survey of MasterCard prepaid cardholders, two-thirds (2/3) of the almost 1,000 respondents indicated that the availability of a card influenced their decision to sign up for tax-favored accounts. And, 30% of those respondents cited the card as the primary reason for enrolling.

Cards enhance benefit programs by reducing paperwork and by providing members with fast and convenient access to their reimbursement account funds to pay for eligible healthcare expenses.

This survey also showed that:

- 72% of consumers report that having a card made using their account easier.
- 87% of respondents found it useful to be able to use their card at the point of sale without having to file paper receipts.

A year-to-date 2009 analysis of Tri-Star's participating employers using the debit card showed that 84% of Health Care Reimbursement Accounts payments were made using the Benny Card®.

The bottom line is that cards are a Win – Win. The employer benefits from increased participation and contribution amounts, which translate into increased FICA tax savings for your corporation! [Read more](#) about how the card works or [contact us](#) today. We can help you estimate the additional net tax savings of added participation.

COBRA Assistance Appeal Form Now Available

The Department of Labor has published the form for use by participants denied status as an Assistance Eligible Individual (AEI) under the American Recovery and Reinvestment Act of 2009 (ARRA). COBRA participants whose qualifying event was involuntary termination of employment between September 1, 2008 and December 31, 2009 could qualify for this 65% ARRA premium payment subsidy.

Those initially denied qualification as an AEI, may appeal this qualification with the Department of Labor by completing the [appeal form](#). The form can be completed online or mailed or faxed as indicated in the instructions. Participants who believe they have been inappropriately denied eligibility for the premium reduction, may wish to speak with an Employee Benefits Security Administration Benefits Advisor at 1.866.444.3272 before filing this form.

7 a.m. – 5 p.m.

Monday – Friday
www.tri-starsystems.com

1-800-727-0182

Contact us:



FSA/HRA Debit Cards Subject to 90% Rule

Pharmacies and drug stores that are not already Inventory Information Approval System (IIAS)-compliant have until July 1, 2009 to register as a 90% medical merchant. These stores must self-certify that 90% or more of their gross sales are from prescriptions/Rx or over-the-counter Eligible Healthcare Products. After July 1, 2009, prepaid benefit cards will not permit transactions at pharmacy merchants who are not either IIAS-compliant or registered as 90% certified. A current list of participating merchants is available on [our web site](#) under the Benny Card Information link. Interested merchants may contact [SIGIS](#) for membership and registration information.

Current Developments in Health Care Reform

President Obama and Administration officials met with health care industry stakeholders on May 11, 2009 to discuss how to reduce the growth rate of health care costs. All indications are a push to pass health care reform legislation this year to decrease rising health care costs, allow Americans to retain the coverage and doctor choices they currently have if they so desire, and provide Americans access to quality and affordable health care.

The future of Health Care is in a state of flux, subject to numerous influences, House Bills and much discussion. The latest of these is HR 2526, The Medical FSA Improvement Act of 2009, was introduced May 20, 2009. This legislation would fix the so-called "use-it-or-lose-it" rule for Flexible Spending Accounts (FSAs) and would allow self-employed individuals to establish FSAs. This is in the early stages and may not pass in any form as initially proposed. You can read the [full text of the bill](#) and can [follow its progress through the House](#).

We support the [opinions of the Employers Council of Flexible Compensation](#) (ECFC) in their recent comments on the Senate Financing Options paper. HR 2526 comes on the heels of the Senate Financing Options paper and just days before the ECFC comments on the paper. Health Care Reform does not appear to be just an empty phrase.

This House Bill is one of possibly many versions of proposed regulations yet to come, just now in its initial phase. It would be premature to base any decisions for your medical plan design on this one piece of legislation. We will continue to monitor developments and will keep you apprised of those that have been signed into law that could affect your benefit plans. We all should be prepared to act and react quickly as the future of Health Care in the United States unfolds.