



# 2008 Flexible Benefits Guide

*Health & Dependent Care Flexible Spending Accounts*





*Welcome to Mass Group Marketing, Inc.  
A third party administrator providing  
services to school districts since 1980.*

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Our long-term success is attributed to adhering to a basic business philosophy:

- We pride ourselves on our professionalism, integrity, and hard work
- We only offer products with lasting stability, strength, and performance
- We focus on the individual needs and financial goals of our clients

Our goal is to simply provide the best service available to employees in school districts. MGM is constantly abreast of market trends in order to remain on the cutting edge of plan serving.

MGM has a user friendly website for participants and employers to view information and complete claims and changes at their convenience. Participants with flexible spending accounts will be issued a personal identification number (PIN) to access their accounts. Claim, status change and deposit forms are available on the MGM website.

## **Contact Us:**

Benefit counselors are available to assist you from 8 a.m. to 5:30 p.m. Central Standard Time, Monday through Thursday and 8 a.m. to 2:00 p.m. on Fridays.

Mail Claims:        Mass Group Marketing, Inc.  
                          2121 N. Glenville Drive  
                          Richardson, TX 75082

Contact Phone:    (800) 833-4028

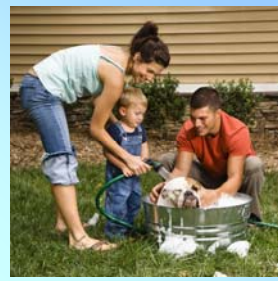
Fax Claims:        (800) 973-3702

Website:            [www.mgmtpa.com](http://www.mgmtpa.com)

Questions:         [www.flex@massgroupmarketing.com](mailto:www.flex@massgroupmarketing.com)



## Guide to



## Flexible



## Spending Accounts

### A Section 125 Cafeteria Plan offered by Mass Group Marketing, Inc.

Section 125 Plan is a part of the Internal Revenue Code that allows employees to convert a taxable cash benefit (salary) into non-taxable benefits. You may choose to pay for benefit premiums and other qualified expenses before any taxes are deducted from your paycheck.

#### Benefits Eligible for Your Section 125 Plan

Under Section 125, your employers Plan may offer the option to include the premium cost for your employee benefit plans. You may pay the premiums pre-tax for your medical, dental, cancer and vision insurances. Your plan may also offer flexible spending accounts for your health care and dependent care needs.

#### Flexible Spending Accounts

A Flexible Spending Account (FSA) is a special account for healthcare and dependent care expenses. When you enroll in an FSA, you decide how much to contribute to each account for the entire Plan Year. The money is then deducted in equal amounts from your paycheck, before Federal & State income taxes and FICA taxes are deducted. These "pre-taxed" funds are automatically deposited in your account through payroll deduction. Unless you have a qualifying event under Section 125 regulations, your election amount will not change during the year.

There are two kinds of Flexible Spending Accounts - Health FSA and Dependent Care FSA. You can choose to participate in both accounts, but funds may not be co-mingled. Expenses for these accounts must be incurred during your employer's plan year.

### Health FSA

The Health Care FSA is a tax-free account that allows you to pay for essential health care expenses that are not covered, or are partially covered, by your medical, dental and vision insurance plans. These expenses may be incurred by you or your eligible dependents. Expenses include deductibles, co-insurance payments, office co-pays, orthodontics, glasses and contacts. Once enrolled in FSA's the money is available to you on the first day of the plan. You must spend the funds by the end of the plan year, or they will be forfeited from your account.



#### Orthodontic Expenses

IRS stipulates how orthodontic expenses can be reimbursed in a health care FSA. You should carefully plan when deciding on your annual election if it includes orthodontic expenses. The services must be performed and incurred within the plan year. Reimbursement of a lump sum payment to a dentist may not be eligible if any of the services will be performed in a subsequent plan year.

#### Over-the-Counter Items

The IRS allows that some over the counter (OTC) drugs and medications which are used to treat sickness may be reimbursed by Health Care Flexible Spending Accounts. Claiming these types of medications for

reimbursement can help participants meet their FSA allotments for the year, and minimize the fear of leaving money on the table due to the “use-it-or-lose-it” rule. Eligible expenses include medicines or products that alleviate or treat personal injuries or illness for you and your dependents. IRS also allows you to purchase qualified over-the-counter-drugs (OTC) through your pharmacy without a prescription. For most OTC’s, you are not required to provide a statement from a medical provider, or indicate a diagnosis in order to receive reimbursement. Receipts for reimbursement must state the place of purchase, date of purchase, dollar amount, name of the item, and can be claimed within reasonable quantities. We recommend that you retain copies of all OTC receipts for your records.

There are some medical items that may not be allowed unless you are diagnosed by a medical professional for a specific medical condition. Treatment for eligible expenses can not be for preventative purposes.

## Dependent Care FSA

This account allows you to pay for day care expenses that enable you and your spouse to work and/or attend school fulltime. It may also include eligible expenses for children or elder dependents that rely on you for their care. Examples of eligible expenses are: care in and outside the home, day care, before and after school care, nursery school, preschool tuition, day care camps and facilities (if not primarily for educational purposes). Your care provider must report day care income on their taxes to be considered as eligible.

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*Dependent Care funds must be available in your account before you can be reimbursed.*

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The total amount you choose to contribute should be based on your expected child and/or dependent care expenses during the plan year.

A single parent, or employee that is married but filing separately is limited to \$2,500 for the Plan year.

If your spouse has a dependent care account through their employment, the two accounts cannot exceed \$5,000 during a given plan year.

### How to File A Claim

For expenses not eligible for debit card payments, claim forms and receipts must be submitted to Mass Group Marketing, Inc. Legible receipts must be attached, and may be sent by fax or mail. For items subject to reimbursement from your medical plan, you must also include a copy of the explanation of benefits. Dependent care expenses must include the providers’ information and tax or social security number. For orthodontic claims, full payments for treatment will not be made, but are paid as service is incurred. Please include a copy of the contract or schedule of payments.

Only itemized receipts will be accepted. Receipts that only show the amount spent for a service or product will only delay your claim reimbursement. Acceptable itemized receipts have the name of provider, date and details of purchase.

### Claim Processing

MGM’s standard commitment is a 72 hour business day turnaround, although claims are often processed within 48 hours.

### Website Access

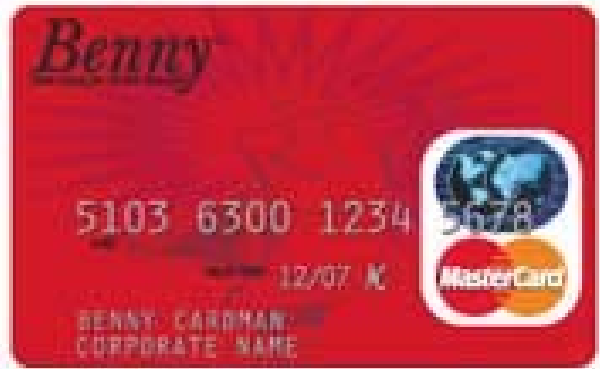
You may access the Mass Group Marketing Website at [www.mgmtpa.com](http://www.mgmtpa.com). Claim forms and change forms are available on the website.

### Direct Deposit

MGM offers direct deposit for participant reimbursement checks. This form is also available on the MGM website. A deposit confirmation will be mailed to your address.

## The MGM Benny MasterCard

The MGM Benny MasterCard makes using your health FSA quick and easy – just swipe it as payment for your eligible expenses and the funds are automatically deducted from your FSA.



The MGM Benny is an automatic way to pay for qualified health care/benefit expense. It is not a credit card, but can be used to pay for your eligible health flexible spending account (FSA) purchases. The card is similar to a MasterCard, with the value of the participant's account contribution loaded on it. The amount of the qualified purchases will be deducted automatically from the account.

The Card may be used for eligible flexible spending account (FSA) expenses as determined by Section 213 of the Internal Revenue code. You may use the Card for co-pays at hospitals, physician offices, dental offices, vision service locations and pharmacies purchases wherever you can use MasterCard for your eligible unreimbursed medical, dental and vision expenses. *Only expenses that have been incurred during the current plan year and/or grace period can be claimed as eligible expenses.* There still may be times when you will need to submit a manual claim.

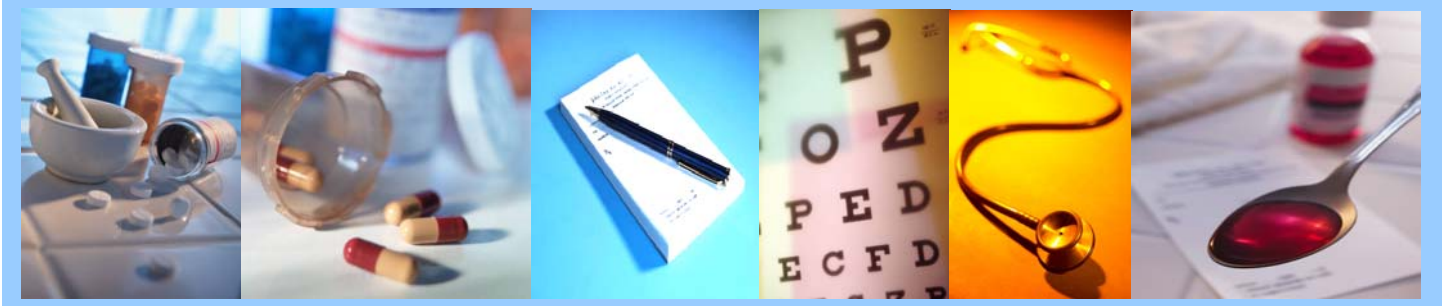
Some over the counter products are eligible to purchase with the Card. These products must be used in treating symptoms of injury and illness. Some examples include: cold and allergy remedies, first aid supplies, pain remedies, etc. Personal care items are not eligible for Card use.

Here's how it works -

- Take you prescription, over the counter healthcare products and other items to the register
- for purchase
- Present your MGM Benny MasterCard for payment; select the option for "credit"
- The system will identify eligible card purchase (prescriptions and OTC's); pay for your noneligible items separately with another form of payment
- If the purchase is approved (there are sufficient funds in your account), the amount will be deducted from your card account balance.

IRS requires that MGM perform periodic audits on participant accounts. Make sure that you save receipts in the event you are asked to substantiate your purchases. In cases of accidental misuse of the card, you will be asked to provide substantiation of the expenses placed on the card. If expenses cannot be substantiated, you will be asked to repay the charged amount to your health FSA. The card will be suspended if expenses cannot be substantiated.

*Always maintain copies of your receipts during the plan year*



# Health Care Flexible Spending Accounts

- ◆ *Eligible Medical Expenses*
- ◆ *Over-The-Counter Items List*

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## Eligible Health Care Reimbursement Expenses

The following is a partial list of health care expenses that are eligible for reimbursement from your Health Care Spending Account. Some items may require a physician's order to qualify as an eligible expense.

|   |   |
|---|---|
| Abdominal supports  | Lodging (away from home for outpatient care)            |
| Acupuncture   | Metabolism tests  |
| Air conditioner (relief from allergy or breathing difficulty; for medical treatment only) | Neurologist   |
| Alcoholism treatment  | Nursing (including board and meals)                     |
| Ambulance   | Obstetrician  |
| Anesthetist   | Operating room costs                                    |
| Arch supports   | Ophthalmologist   |
| Artificial limbs  | Optician  |
| Birth control pills (by prescription)   | Optometrist   |
| Blood tests   | Oral surgery  |
| Blood transfusions  | Organ transplant (including donor's expenses)           |
| Braces  | Orthopedic shoes  |
| Cardiographs  | Orthopedist   |
| Chiropractor  | Osteopath   |
| Christian Science Practitioner  | Oxygen and oxygen equipment                             |
| Contact lenses  | Pediatrician  |
| Contraceptive devices (by prescription)   | Physician   |
| Convalescent home (for medical treatment only)  | Physiotherapist   |
| Crutches  | Podiatrist  |
| Dental treatment  | Postnatal treatments                                    |
| Dental X-rays   | Practical nurse for medical services                    |
| Dentures  | Prenatal care   |
| Dermatologist   | Prescription medication                                 |
| Diagnostic fees   | Psychiatrist  |
| Diathermy   | Psychoanalyst   |
| Drug addiction therapy  | Psychologist  |
| Drugs (prescription)  | Psychotherapy   |
| Elastic hosiery (prescription)  | Registered nurse  |
| Eyeglasses  | Special school costs for the handicapped                |
| Fees paid to health institute prescribed by doctor  | Spinal fluid test                                       |
| Fluoridation unit   | Splints   |
| Guide dog   | Sterilization   |
| Gum treatment   | Surgeon   |
| Gynecologist  | Telephone or TV equipment to assist the hard of-hearing |
| Healing services  | Therapy equipment                                       |
| Hearing aids and batteries  | Transportation expenses (related to health care)        |
| Hospital bills  | Ultraviolet ray treatment                               |
| Hydrotherapy  | Vaccines  |
| Insulin treatments  | Vasectomy   |
| Lab tests   | Wheelchair  |
| Laser eye surgery   | X-rays  |

## Ineligible Expenses

*The following is a partial list of health care expenses that are not eligible for reimbursement from the Health Care Spending Account.*

- Dietary Supplements (e.g. vitamins)
- Electrolysis
- Exercise or health club memberships
- Insurance premiums
- Physical therapy treatments for general well-being
- Supplements prescribed by an alternative provider
- Teeth bleaching
- Weight reduction or smoking cessation program

## Over The Counter (OTC) Drugs Used Primarily for Medical Care

These items typically are reimbursable with a proper receipt without authorization from a medical provider.

| Type/Class of Drug or Product       | Examples/Brand Names*  |
|-------------------------------------|--|
| Allergy Prevention and Treatment    | Actifed, Allerest, Benadryl, Chlor-Trimetron, Claritin, Contact, Sudafed   |
| Analgesics/Antipyretics             | Aspirin, Advil, Ibuprofen, Naprosyn, Tylenol, Midol, Pamprin, Pemsyn PMS   |
| Antacids and Acid Reducers          | AXID AR, Gas-X, Maalox, Mylanta, Tums, Pepcid AC, Prilosec OTC, Tagamet HB, Zantac 75  |
| Anti-arthritics                     | Excedrin Arthritis, Tylenol Arthritis  |
| Antibiotics (topical)               | Bacitracin, Triple Antibiotic Ointment, Neosporin, Polysporin  |
| Anticandial (Yeast)                 | Femstat 3, Gyne-Iotri8min, Mycelrx-7, Monistate 3, Vagistat-1  |
| Antidiarrheal and Laxatives         | Ex-Lax, Immodium AD, Kaopectate, Pepto-Bismol  |
| Antifungal                          | Lamisil AT, Lotramin AF, Micatin   |
| Antihistamines                      | Actidil, Actifed, Allerest, Benadryl, Claritin, Chlor-Trimetron, Contact, Drixoral, Sudafed, Tavist-1, Triaminic   |
| Anti-itch Lotions and Creams        | Bactine, Benadryl, Caldecort, Caladryl, Calamine Lotin, Cortaid, Hydrocortisone, Lanacort, Lamisil AT, Lotramin AF, Micatin  |
| Asthma Medicines                    | Primatene Mist   |
| Cold Sore/Fever Blister             | Abreva Cream, Blistex, CamphoPhenic, Carmex  |
| Contraceptive Products              | Pregnancy Tests, Spermicides   |
| Cough Suppressants or Expectorants  | Chloraseptic, Robitussin, Sucrets, Vicks 44  |
| Decongestants/Cold and Flu Remedies | Actidil, Actifed, Advil Cold and Sinus, Afrin, Aleve Cold and Sinus, Alka Seltzer Cold and Flu, Afrinol, Children's Advil Cold, Dayquil, Dimetane, Dristan Long Lasting, Drixoral, Neo-Synephrine 12 Hour, Nyquil, Orrivin, Pedicacare, Sudafed, Tavist-D, Triaminic, Tylenol Cold and Flu |
| Dehydration                         | Pedialyte  |
| Diaper Rash Ointments               | Balmax, Destin   |
| Eye Drops for Allergy/Cold Relief   | Ocu Hist, Visine, Clear Eyes   |
| First Aid Supplies                  | Bandages, First aid kits, Cold/hot packs for injuries, Rubbing alcohol, Ace wraps, Splints   |
| Hemorrhoidal Preparations           | Preparation H, Hemorid, Tronolane  |
| Migraine Relief                     | Advil Migraine, Motrin Migraine, Excedrin Migrane, Tylenol Migrane   |
| Motion Sickness                     | Dramamine, Marizine  |
| Muscle and Joint Discomfort         | Ben Gay, Icy Hot, Tiger Balm, Flexall  |
| NSAIDS                              | Advil, Aleve, Ibuprofen, Motrin, Maprosyn, Naproxen  |
| Pediculicide                        | Nix, Rid   |
| Sinus Products                      | Nasal Sprays   |
| Sleeping Aids                       | Tylenol P.M., Excedrin P.M.,   |
| Smoking Cessation Aids              | Commit, Nicoerm CQ, Nicorette, Nicotrol  |
| Sunburn Relief                      | Solarcaine   |
| Teething/Toothaches                 | Orajel, Little Teethers  |
| Test Kits                           | Blood Pressure Kit, Cholesterol tests, Colorectal Cancer Screening, Diabetic Monitor and Supplies, Ovulation Indicators, Pregnancy Tests   |
| Wart Removal                        | Compound W, Scholl Clear Away, Wart-Off  |

\*The products listed here are examples, and do NOT constitute an endorsement or an exhaustive listing of reimbursable OTC products.

Dual Purpose Medicines and Products

These items may be reimbursed under a health care flexible spending account with a licensed health care provider's note indicating the specific medical condition; a recommendation to take the specific OTC medicine to treat the condition, that the medical item is not for cosmetic purposes, along with the documentation of the product and cost.

| Type/Class of Drug or Product | Reimbursable Use  | Excluded Use                                      |
|-------------------------------|---|---|
| Acne Products                 | Chronic acne under treatment by a physician                   | Occasional outbreak or blemish; cosmetic purposes |
| Contact Lens Supplies         | Associated with vision health                                 | Cosmetic contacts; non-related                    |
| Dental Fluoride Products      | Treatment for gingivitis, special mouthwashes                 | Routine use for general oral care                 |
| Dietary Supplements           | Vitamin B for treatment of scurvy                             | Routine use for general health                    |
| Feminine Hygiene Products     | Post surgery or childbirth                                    | Infants and toddlers                              |
| Fiber Supplements             | Documented specific medical condition; short duration         | Routine use for general health                    |
| Hair Loss Treatments          | Replace hair loss from medical conditions                     | Balding due to age                                |
| Incontinence Products         | Post surgery  | Occasional use of incontinence items              |
| Joint Supplements             | Diagnosis of Arthritis  | Routine use for overall joint health              |
| Mineral Supplements           | Calcium, Caltrate; Need doctor statement of medical necessity | Benefit or maintain general health                |
| OTC Hormone Therapy           | Specific medical conditions                                   | General health maintenance                        |
| Pre- Natal Vitamins           | Pregnancy or medical treatment                                | Routine use for general health                    |
| Snoring Cessation Aids        | Sleep Apnea   | Non-medical related conditions                    |
| Weight Loss Products          | Specific medical condition such as Obesity                    | Routine use for general health                    |

**Excluded Products**

These items and products are considered to be primarily for general health and well being, and are not eligible expenses.

| Type/Class of Drug or Product   | Examples/Brand Names*   |
|---------------------------------|---|
| Cosmetic Products               | Creams, Face Soaps, Hair Removal, Lotions, Makeup, Perfumes             |
| Dental Products                 | Dental Floss, Mouthwash, Toothpaste, Toothbrushes, Teeth Whitening Kits |
| Toiletries                      | Body Sprays, Lip Balms, Deodorant, Moisturizers, Shampoo, Soaps         |
| Vitamins                        | Routine use for general health  |
| Herbal Supplements              | Routine use for general health  |
| Dietary/Nutritional Supplements | Boost, Ensure, Glucema, Slimfast  |

Reimbursement for OTC medicines must still follow the existing rules regarding health care flexible spending accounts.

The expense(s) must:

- ✓ Be incurred during your period of coverage;
- ✓ Not be reimbursable through another plan; and
- ✓ Be substantiated through a detailed receipt.

\* The products listed here are examples, and do NOT constitute an endorsement or an exhaustive listing of reimbursable OTC products.

## Please Read Carefully

### CLAIM FILING INSTRUCTIONS

#### ***Who Can File a Claim Form?***

- Only Employees participating in the Cafeteria Plan flexible spending accounts can file a reimbursement claim form.
- Employees can file a claim form during the plan year and for a certain period after the plan year, in most cases 90 days. Contact your plan administrator for what is available under your plan.
- Terminated employees can file a claim form for a certain period after the date of termination if allowed by the Plan.

#### ***What Expenses Can be Claimed?***

- Only expenses incurred during the plan year can be claimed for reimbursement.
- Allowable expenses are the same as those allowed for tax purposes. A summary list is provided on the back of the claim form.

#### ***Completion of the Claim Form.***

- Complete all information on the claim form for each amount claimed for reimbursement. Be sure to include your social security number and your employer's name, date the form and sign it in ink.
- Make sure the claim form does not include expenses incurred in more than one plan year. Use different claims forms for different plan year expenses.
- All prescription, medical and dental expenses must first be submitted to the Health and/or Dental insurer, if any. Please submit a copy of the insurer's Explanation of Benefits for any covered expenses. If there is not an insurer, please submit the expenses directly to MGM. In either case, actual receipts or Doctor's statements must be submitted.
- All claims being submitted for Dependent Care expenses must include the provider's name, address, phone number and tax or social security number. Cancelled checks may be submitted as receipts for Dependent Care expenses provided you include the name(s) of person(s) for whom the service was provided, actual date of service, and a breakdown of all charges.
- For the first filing of orthodontic claims please include a copy of the contract or schedule of payments. Thereafter, simply submit a claim form with the receipt and indicate that it is for an Orthodontic treatment expense.
- Always keep copies of any items submitted to MGM for reimbursement.

#### ***How Can I View My Account Online?***

Go to [www.mgmtpa.com](http://www.mgmtpa.com) to access your account. <http://www.mgmtpa.com> This takes you to the MGM log-in site for the flexible spending accounts online system. Your social security number is your User ID number. You will need to use the pin number provided to you enclosed in this claims procedural manual.

#### ***How to Find Flex Plan Forms Online?***

The Mass Group Marketing website - [www.mgmtpa.com](http://www.mgmtpa.com) has forms available for your use. Click on "Forms Online". Choose "CPS Claim Forms" and print the form to submit your Flexible Spending Account claims. Status change forms are also available.

#### ***Can you Automatically Deposit my Claim Check into my Checking Account?***

By completing the enclosed direct deposit authorization agreement and mailing it to MGM, the next time you file a claim the money will automatically be sent to your bank account with a **confirmation of funds transferred mailed to your current mailing address.**

## CLAIM REVIEW PROCEDURES

*At some time during an employee's participation in a cafeteria plan a claim for benefits may be denied. If this happens, and the Participant wishes to appeal the decision, there are several safeguards in place to protect his rights as a Participant.*

### Processing The Claim

A participant will be advised within 90 days of filing his claim if it is going to be denied. MGM will notify the plan administrator as well as the Participant of the delay. Depending upon the circumstances, the 90 day period may be extended if there are exceptional problems in processing the claim.

### Claim Rejections

If a Claim is rejected, it will fall into two categories:

- (1) A claim is filed for a benefit that does not qualify as an included benefit under the plan, and/or;
- (2) A claim form is improperly completed by the participant for an eligible benefit under the plan.

In both instances, MGM will tell the participant what action has been taken on their claim, and if additional paperwork or information is needed they will be given the extra time to get the necessary paperwork in.

### The Appeals Procedure

If a participant is not satisfied and decides to appeal a claim decision, he has specific legal rights as a Participant.

- (1) The participant, or his representative, may request a review of his claim by submitting a written application to the Plan Administrator. This request must be submitted within 60 days of the date the Participant was first notified the claim was being denied.
- (2) The Participant may review any documents relating to his claim.
- (3) The Participant may submit a written statement concerning the claim.

It is the purpose of the Plan Administrator to settle claims in a fair and nondiscriminatory process. The Participant is entitled to specific rights outlined more in depth in the cafeteria plan document. These rights insure a Participant's involvement in the appeals process.

### The Review Procedure

The Plan Administrator will make a decision concerning a Participant's claim within 60 days of written notification by the participant wishing to have his claim reviewed. In exceptional cases, the Participant will be notified if an extension is necessary. In no event can the decision be delayed longer than an additional 60 days.

The Participant will receive a written explanation of the final decision of the Plan Administrator. It will include the specific reasons for the Plan Administrator's decision.

# Claims for Reimbursement



Employer \_\_\_\_\_

Participant Name \_\_\_\_\_

Address \_\_\_\_\_

(Mailing Address) (City) (State) (Zip)

Check here if new address:

Social Security # \_\_\_\_\_

Email \_\_\_\_\_

Work Phone \_\_\_\_\_

Home Phone \_\_\_\_\_

**OUT-OF-POCKET EXPENSES.** Attach bills, receipts or other evidence of these expenses, for expenses covered by Group Insurance Carrier, please attach an Explanation of Benefits. Canceled checks and credit card receipts are not considered sufficient documentation. Minimum check amount is \$25.00.

## Unreimbursed Medical Expense Claims

| Date Expenses Incurred | Name of Service Provider | Expense Description | Total Expense | Amount You Paid |
|------------------------|--------------------------|---------------------|---------------|-----------------|
|                        |                          |                     |               |                 |
|                        |                          |                     |               |                 |
|                        |                          |                     |               |                 |
|                        |                          |                     |               |                 |
| Total Requested        |                          |                     |               |                 |

## Dependent Care Expense Claims

| Date Expenses Incurred | Service Provider - Please include Name, Address, Phone #, Tax ID# or SSN# | Expense Description & Name of Dependent | Amount You Paid |
|------------------------|---|---|-----------------|
|                        |   |   |                 |
|                        |   |   |                 |
|                        |   |   |                 |
|                        |   |   |                 |
| Total Requested        |   |   |                 |

I certify that the expenses listed about have been incurred by me or an eligible dependent of mine during this Plan Year and qualify for reimbursement. I also certify that the medical expenses have not been reimbursed or are not reimbursable under any other health coverage. The paid bills, receipts and/or other evidence of these expenses are attached. I fully understand that I alone am responsible for the sufficiency, accuracy, and veracity of all information relating to this claim provided, and that unless an expense for which payment or reimbursement is claimed is a proper expense under the Plan, I may be liable for payment of all related taxes.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

Mail or Fax To:

Mass Group Marketing, Inc.  
2121 N. Glenville Drive  
Richardson, Texas 75082  
(972) 881-4606 • (800) 833-4028  
Fax # (800) 973-3702

