

Accepting FSA Cards with Cashier Live

Cashier Live – The low cost way to accept FSA cards

Cashier Live offers your pharmacy a low cost way of accepting FSA cards. You can even use hardware that you already have, all you need is a web browser and an internet connection and you're ready to go.

Here's what you need to do to get started:

- 1** Your first step towards accepting FSA cards is becoming a member of SIGIS. The Special Interest Group for IAS Standards, SIGIS for short, is an organization that has organized and coordinated the effort for complying with IRS guidelines relating to FSA card acceptance. SIGIS works with the major card brands, Visa and MasterCard, to coordinate how FSA cards are accepted at your store.
- 2** Sign up for the Cashier Live Plus edition, which will give your pharmacy access to our IAS features. Once you've upgraded to the Plus edition, give us a call at 877-312-1750 and we'll help you get started.
- 3** Watch the SIGIS certification how-to video to certify with Cashier Live. You'll need to log in to the SIGIS members area to complete the certification form. Since you're using Cashier Live, you'll be certified immediately after completing the form.
- 4** Your Merchant Service Provider will coordinate with Visa and MasterCard to issue MVV/MAID codes. These codes are issued to pharmacies after they've been certified by SIGIS. Visa and MasterCard can take between two to three weeks to issues these codes.
- 5** Cashier Live and your merchant service provider will notify you when you're all set to begin accepting FSA cards.

Frequently Asked Questions about Accepting FSA Cards

What are FSA and HSA Cards?

FSA accounts are a benefit provided by many employers for their employees that allows them to set aside pre-taxed dollars into an account to be used to pay for medical expenses. In order to make the use of the funds convenient, many plans provide VISA and Master Cards that can be used to draw the funds from the account at the point of sale.

About the IRS ruling concerning FSA debit cards and IAS

The IRS is making the pharmacy responsible for preventing customers from using their FSA and HSA cards for non medical purchases. As of July 1, 2009, the IRS requires most pharmacy retailers to operate an IAS capable Point of Sale system that effectively identifies and prevents ineligible transactions when consumers use flexible spending account (FSA) and health reimbursement arrangement (HRA) debit cards. Pharmacies are required to install an IAS after June 31, 2009, unless at least 90% of the individual pharmacy's sales are of "FSA-eligible" items, i.e., prescription drugs or over-the-counter (OTC) items.

What is an "Inventory Information Approval System" as specified by the IRS?

An inventory information approval system, or IAS, is a point-of-sale technology used by retailers that accept FSA debit cards, which are issued for use with medical flexible spending accounts (FSAs), health reimbursement accounts (HRAs), and some health savings accounts (HSAs) in the United States.

The retailer's point of sale system identifies eligible healthcare FSA/HRA purchases by comparing the inventory control information (e.g., UPC or SKU number) for the items being purchased, against a pre-established list of eligible medical expenses. The list is restricted to "eligible medical expenses" as described in Section 213(d) of the Internal Revenue Code (including eligible non-prescription items). The eligible medical expenses are totaled and sent to the payment card issuer's system which approves the payment subject to coverage under the health plan (i.e., type of coverage provided, covered participant, etc).

How do I know what products are FSA eligible?

SIGIS (Special Interest Group for IAS Standards) is a trade organization formed to create a standard industry solution to meet IRS requirements. SIGIS brings a diverse range of participants including credit card companies, retailers, and point of sale vendors together to offer an IAS solution that is recognized industry-wide.

SIGIS publishes an industry Eligible Product List for participating retailers to use as the basis to identify items in their inventory. Access to the Eligible Product List is available upon SIGIS membership approval. The Eligible Product List also enables plan administrators and third-party administrators (TPAs) to rely upon a more consistent identification of eligible medical items. All pharmacies need to become SIGIS members to have access to the FSA eligible product list or become certified that 90% of their sales are FSA eligible.

Have any other questions? Give us a call at (877) 312-1750