



Important VEHI Notice on Prescriptions for DataPath Members

Understanding When Receipts Must be Submitted after Using a Debit Card for Prescriptions

May 2018

The IRS allows an HRA, FSA or HSA debit card to be used at pharmacies to pay for prescription medications; but it requires substantiation that the item(s) paid for by the debit card qualify for the pre-tax benefit of the HRA, FSA or HSA funds. In **most cases**, pharmacies have undergone a process with the IRS to become an IIAS (Inventory Information Approval System) pharmacy, which allows the **BCBSVT claims feed** to substantiate the claims, and **nothing else is required** of the debit-card holder.

However, when a pharmacy has **not** gone through the IIAS process, **under IRS rules** they are deemed a **90% merchant**. A debit card can be used at 90% merchant locations, but **the debit card user** will still need **to obtain and submit a receipt to DataPath** to document that the item(s) qualify for the pre-tax benefit.

[See the FAQ here](#) ("Notice and FAQ about DataPath and 90% Merchants") for more detailed information.

For individuals with an HRA, FSA or HSA administered by **DataPath**, individuals will receive a notice when a receipt is required ([see sample notices here](#)). Individuals, however, who know they are using a 90% merchant can submit the receipt without waiting for notice from DataPath. Failure to submit a receipt to DataPath within 30 days may result in a temporary suspension of the debit card until the receipt has been submitted.

Itemized receipts must include the following information:

- Participant name (the person who the service is for)
- Date of service
- Amount
- Type of service performed
- Vendor name (name of the place from which the item was purchased)

90% merchants in Vermont include:

- GENOA QOL 20176, Morrisville
- Central Vermont Medical Center Pharmacy, Berlin
- Northwestern Medical Center, Saint Albans
- Vermont Family Pharmacy, Burlington

- South Hero Pharmacy, South Hero
- Browns Drug Store, Derby Line

Click [here](#) to search for IIAS and 90% merchants in the USA.

If you have questions, please contact **Laura Soares** at 802-223-5040 x208, **Mark Hage** at 802-224-2420 or **Bobby-Jo Salls** at 802-223-5040 x233

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52 Pike Drive
Berlin, VT 05602
(802) 223-5040