



Blue Cross  
Blue Shield  
Blue Care Network  
of Michigan

Confidence comes with every card.®

Member Guide

Take advantage of your  
flexible spending account



# Understanding your FSA

A flexible spending account, or **FSA**, is a health care savings account that allows you to set aside pretax dollars to pay for qualified health care services. If using an FSA is new to you, this guide will help you understand how it all works.

- See **PAGE 3** for information about the different types of FSAs.
- See **PAGE 5** to learn how to use an FSA.
- See **PAGE 6** for information about managing your FSA and health plan.

# Get the basics about FSAs

Your employer may choose to offer you one or all of these FSA options:

1. **A medical FSA** that allows you to set aside pretax dollars to pay for qualified medical expenses
2. **A dependent-care FSA** that allows you to set aside pretax dollars to pay for qualified dependent-care expenses
3. **A limited-purpose FSA** that reimburses qualified dental or vision services, or a combination of both, when paired with a health savings account
4. **A post-deductible FSA** that reimburses qualified expenses only after the plan-year deductible when paired with an HSA
5. **An FSA — spending account only** that reimburses qualified medical expenses if you don't have Blue Cross Blue Shield of Michigan medical, dental or vision coverage
6. **An FSA — ancillary only** that reimburses qualified medical expenses if you have Blue Cross dental or vision coverage, or both, but don't have Blue Cross medical coverage

Each year, the IRS determines the maximum contribution limit for FSAs. However, your employer can further limit the annual contribution amount. Visit [irs.gov](https://www.irs.gov)\* for more information.

\*Blue Cross Blue Shield of Michigan doesn't own or control this website.

# What are the benefits of having an FSA?

- **Control**  
You determine how much to contribute and how to spend the money in your FSA.
- **Increased spendable income**  
Payroll contributions to your FSA lower your taxable income, which may increase your net income.
- **Tax benefits**  
Your payroll contributions aren't taxed.
- **Stability**  
Setting aside a nest egg for out-of-pocket costs allows members to plan for health expenses, such as prescription refills and doctor visits.



# Using your FSA

You and your employer may contribute funds to the FSA. The money you contribute will be automatically deducted, pretax, from your paycheck. And you can use the funds in your FSA to pay for or get reimbursed for qualified health expenses.

With an FSA, the “use it or lose it” rule applies. Money not spent by the end of the plan year may be forfeited unless the employer selects an optional carryover feature:

- **Run-out period:** Your employer may choose to allow an extended period after the end of the plan year for employees to file claims for expenses.
- **Carryover or grace period:** Your employer may choose to offer carryover or a grace period, but not both. Carryover allows employees to take up to a maximum of \$550 of unused funds into the next plan year, however, amounts above \$550 will be forfeited. A grace period gives employees two and a half months after the end of the plan year to use funds.

## What is a qualified expense?

This is an expense for health care as defined by the IRS and your employer. Depending on the type of FSA you have, qualified expenses could include deductibles, coinsurance, copayments, fees for dental and vision services, fees for day or adult care and more. See your employer or visit [irs.gov](https://www.irs.gov)\* for a list of qualified expenses.

## How do I get reimbursed for qualified expenses?

Depending on the type of FSA, you can use a debit card to pay for qualified expenses onsite, or pay your out-of-pocket costs upfront and then submit your claims for reimbursement.

# Manage your FSA and health plan

We've made it easy to stay on top of things with your Blue Cross member account. Use the account to:

- Manage your FSA
- Get a snapshot of your deductible and out-of-pocket maximum balances
- Check the status of claims
- See what's covered by your health plan
- View your virtual ID card
- Find a doctor
- And much more!

Access your member account anytime, anywhere at [bcbsm.com](https://bcbsm.com) or through our mobile app.

## Don't have our mobile app?

Search "BCBSM" in Google Play™ or the App Store® to download it today.



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## Questions?

If you have questions about your health plan:

- **Visit [bcbsm.com](https://www.bcbsm.com)** (log in as a member) or use our mobile app.
- **Call** Customer Service at the number on the back of your member ID card.

If you have questions about your FSA:

- **HealthEquity FSA:** Call HealthEquity Member Services at **1-877-284-9840**.



HealthEquity®, Inc. is an independent company supporting Blue Cross Blue Shield of Michigan by providing health care savings account administration services.

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