

# Washington State Health Care Authority

## PEBB Employer Notice

Notice Number: 2006 – 02

Date: October 25, 2006

Applies to: All State Agencies and Higher-Education Institutions

Subject: Agency responsibilities for the flexible spending account (FSA) program in 2007

The Health Care Authority (HCA) has contracted with a new FSA administrator, Application Software, Inc. (ASI), for plan year 2007.

Beginning January 1, 2007, agencies and higher-education institutions will pay a *lower* FSA administrative fee of **\$4.25** per participating employee, per month. The HCA will bill each agency quarterly.

This notice states the responsibilities of the FSA administrator (ASI), the state and higher-education payroll systems, the employing state agencies and higher-education institutions (agencies), and the HCA.

### **FSA Administrator Responsibilities**

ASI will:

- ***New for 2007!*** Provide online enrollment during the PEBB's open enrollment period.
- Assist with enrollment activities by providing general information and customer support on its Web site ([www.asiflex.com/pebb](http://www.asiflex.com/pebb)) and toll-free phone number (1-800-659-3035).
- Participate in the open enrollment benefits fairs sponsored by the HCA.
- Accept eligibility documentation from the employing agencies.
- Check enrollment forms and deduction amounts, and transmit the deduction amounts to the appropriate payroll system for each employing agency.
- ***New for 2007!*** Offer an FSA debit card for participants to use when they incur medical expenses.
- ***New for 2007!*** Offer a toll-free fax number to send claims and other correspondence.
- Process and pay claims.
- Provide the HCA with monthly bank account reconciliations, annual forfeiture reports, and other reports as needed.
- Provide an FSA summary and worksheet in the new employee packets.

## **Agency Payroll Systems' Responsibilities**

The state central payroll and higher-education payroll systems will:

- Provide eligibility documentation related to each state agency's and higher-education institution's employees directly to ASI.
- Receive and process payroll deduction files from ASI, and monitor exception reports to reconcile with ASI.
- Deposit actual dollars collected from FSA payroll deductions in the HCA account.
- Transmit FSA payroll deduction detail information to ASI.
- Provide all employee data needed to complete the annual IRS mandated non-discrimination testing to ASI.

## **Employing Agencies' Responsibilities**

Each agency will:

- Provide timely and accurate reconciliations of all eligibility and enrollment discrepancies with ASI.
- Provide FSA enrollment forms and educational materials to employees and their dependents upon request. These materials can be downloaded and printed from ASI's Web site at [www.asiflex.com/pebb](http://www.asiflex.com/pebb).
- Pay an administrative fee of \$4.25 per participant per month (PPPM). HCA will bill each agency quarterly. Agencies will pay on time and as instructed by HCA.
- Participate in evaluation meetings held by HCA to discuss ASI's performance.

## **HCA Responsibilities**

The Health Care Authority will:

- Manage the administration of the medical FSA program for the state, consistent with Chapter 41.05 RCW.
- Communicate FSA program and annual open enrollment information to all eligible employees.
- Determine the required FSA program administrative fee to charge to the agencies annually.
- Invoice agencies for the monthly FSA program administrative fees. The HCA will bill each agency quarterly.
- Pay ASI the administrative fee in the contract between ASI and HCA.
- Monitor monthly bank account reconciliations and annual forfeiture reports produced by ASI. The HCA will pay any deficits that might occur from the State medical flexible spending account, established in 2005.
- Schedule evaluation meetings with state agency and higher-education employers to discuss ASI's performance.

## **Contact Information**

If you have questions, please contact Becky Sisler, PEBB Outreach and Training Manager, at 360-412-4201 or [becky.sisler@hca.wa.gov](mailto:becky.sisler@hca.wa.gov).