

Benefits

Take a Closer Look

FSA's

Flexible Spending

Accounts



FlexDirect™

Take a Closer Look

Health Care Flexible Spending Account

Tax-free Reimbursement

Wouldn't it be great to have a way of saving for those "expected" health care expenses? We often know that we'll have expenses during the year for office visits or braces or glasses. Wouldn't it be great to save a little each pay period to cover these expenses? And what's even better is that any money you contribute to the Health Care FSA is not taxed!

RESOURCES

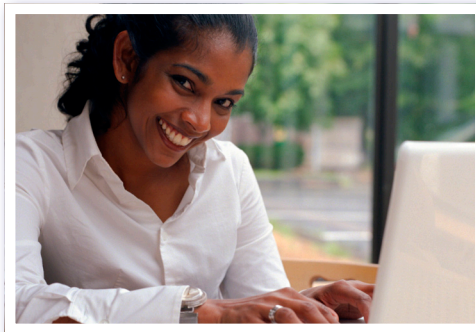
St. Vincent Health and Ascension Health have partnered with ADP to provide administration and reimbursement services for our flexible spending accounts. There are several resources available to you through ADP when you enroll in a spending account. The ADP debit VISA card can be used for immediate reimbursement of your health care expenses. You also have access to the ADP website, www.flexdirect.adp.com, which offers many tools for estimating your expenses and checking your balances.

You may make changes to your FSA elections if you have a status change event (defined in the Eligibility & Plan Guidelines section). Any changes you make to your benefit elections must be consistent with your status change event.

What Expenses Are Reimbursed?

The purpose of this plan is to help you pay for health care fees and expenses that may not be fully covered under your medical, dental and vision plans. You may contribute up to \$4,992 annually to reimburse yourself for health care expenses. These expenses typically include:

- Deductibles, copayments, co-insurance and other portions of medical costs that insurance doesn't pay, such as fees over the fee schedule
- Dental expenses not fully covered under the dental plan you selected, including the deductible, any copayments and orthodontia
- Vision care, including copayments, co-insurance, any payments you made for eye exams, eyeglasses, contact lenses and laser eye surgery
- Hearing care, such as hearing aids
- Prescription drug charges not covered by the medical and dental plans (your copayments)
- Medically required supplies and equipment not covered by other medical or dental plans
- "Over-the-counter" drug store products like pain relievers, decongestants (like Claritin and Allegra) and stomach remedies (like Prilosec).

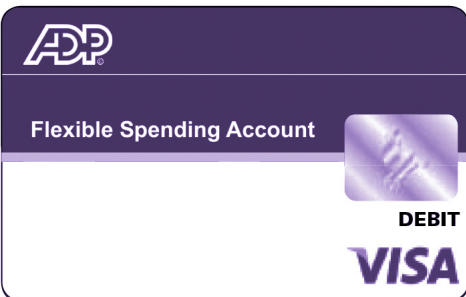


Questions?
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Health Care Flexible Spending Account

Using Your Health Care FSA

If you elect the Health Care FSA, you'll receive a VISA card from ADP. The VISA debit card is linked to your Health Care FSA account balance. When you incur an expense, you simply swipe your VISA debit card. You can use your card anywhere VISA is accepted, including your doctor's office or the local pharmacy! The amount of the purchase is deducted directly from your Health Care FSA account balance. There are no reimbursement forms to complete for most purchases. But in some cases, ADP may ask you to verify your purchase by providing a receipt and documenting your purchase.



Substantiation Requests

Recent IRS rules require that merchants who accept health care FSA debit cards use a specialized computer system that can determine whether an item is eligible under health FSA plans. The system is known as Inventory Information Approval System (IIASA).

By validating that purchases are only for eligible items at the point of sale, merchants provide all the information needed to verify the transaction without any further action by you. That means you will no longer need to send in receipts to substantiate a purchase. (It is important to remember the IRS requires participants to retain itemized receipts for all FSA purchases regardless of whether they are asked to substantiate the purchase.)



If you use your FSA debit card to purchase items at stores that do not have the IIASA system or for items that are not qualified, your card will be denied. You should also know that you cannot use your FSA debit card to purchase items online (unless the merchant is certified for online purchases).

The list of certified merchants is updated regularly – go online at www.adpflexdirect.com.

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Email our HR Service Center.
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Take a Closer Look

REMINDER

An Important Reminder from Ascension and St.Vincent Health: In offering the use of the ADP Benefits VISA Card, we must rely on associates to respect the Core Values as well as the Ethical and Religious Directives for Catholic Health Care Services, 4th ed. (ERDs). We ask that you read and support the Values Covenant (right).

What CAN'T Be Reimbursed in the Health Care Flexible Spending Account?

The Health Care Flexible Spending Account (FSA) does not reimburse for services and supplies for:

- Non-medically-necessary sterilization and abortion
- Insurance premiums
- Custodial care in an institution
- Birth control medication, contraceptive devices or substances
- Health food items and non-prescription vitamins
- Cosmetic surgery
- Health club and fitness center memberships
- Expenses that fall outside the plan year.

This is just a brief description. See your Summary Plan Description for additional information. You can also visit www.flexdirect.adp.com for more information.

Values Covenant

As part of the healing ministry of the Catholic Church, Ascension Health and St.Vincent Health are committed to promoting the values articulated in the Ethical and Religious Directives for Catholic Health Care Services, 4th ed. (ERDs) — in particular, human dignity, the common good, justice, stewardship and special concern for poor and vulnerable persons. As has always been the case, living this commitment with integrity requires that Ascension Health limit its cooperation in medical procedures that are contrary to these values — especially direct abortions (e.g., elective abortions). Therefore, it is not the policy of Ascension Health to reimburse for expenses that Ascension Health determines would violate the ethical and religious principles of Catholic health facilities. For this reason, we ask that you do not submit reimbursement claims or use your flexible spending account “Debit Card” for procedures contrary to these values, such as direct abortions, contraceptives, and sterilization procedures. For our part, Ascension Health and St.Vincent Health pledge to administer the Health Care FSA program in an ethically responsible manner and to respect the individual consciences of all participating associates. If you are unfamiliar with the ERDs or have any questions, please contact your HR Department or your Vice President, Mission Integration.



Questions?
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Allowable Health Care Expenses

Flexible Spending Accounts allow certain expenses to be reimbursed. Consider the following list and the limitations outlined on the previous pages when paying for or requesting reimbursement for health care expenses.

Benefits

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Medical Expenses including copayments, deductibles, co-insurance, out-of-pocket costs

Doctor's Fees:

- Primary care doctor
- Specialist such as gynecologist/OB, dermatologist, etc.
- Chiropractor
- Podiatrist

Diagnostic Services:

- Laboratory services
- X-rays and ultrasounds
- Scans (MRI, CT, etc.)

Inpatient and Outpatient Care:

- Room and board
- Surgery
- Other procedures

Prescription Drugs:

- In-network pharmacies
- Out-of-network pharmacies
- Mail order pharmacies

Other:

- Acupuncture
- Diabetic Supplies such as insulin, glucometer, syringes, needles, test strips
- Hearing care such as hearing exams, hearing aids, and special batteries
- Therapy such as physical (including massage), learning, psychological
- Medical equipment such as wheelchair, crutches, walkers, etc.
- Specialty programs for smoking cessation or weight loss
- Mileage to/from doctor or hospital



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Over-the-Counter Medication and Supplies

Allergy and Cold	Stomach/Digestive	Rash/Cut/Scrape/Itch	Muscle and Joint Aches/Injuries	Other
<ul style="list-style-type: none"> • Allergy medication such as Claritin or Benadryl • Cold medicines • Sinus medicines • Cough drops and cough suppressants • Nasal sinus sprays • Nasal strips 	<ul style="list-style-type: none"> • Antacids • Anti-diarrhea medicine • Laxatives • Pills for lactose intolerance • Hemorrhoid medication • Pedialyte for sick child's dehydration 	<ul style="list-style-type: none"> • Bactine • Band-aids • Bug bite treatments • Calamine Lotion • Diaper rash ointment • First aid creams • Liquid adhesive for small cuts • Rubbing alcohol • Ointment/cream for sunburn treatment 	<ul style="list-style-type: none"> • Carpel tunnel wrist supports • Cold/hot packs for injuries • Products for muscle pain or joint pain • Pain relievers 	<ul style="list-style-type: none"> • Home pregnancy tests • Incontinence supplies • Menstrual cycle products for pain and cramp relief • Motion sickness pills • Nicotine gum or patches for smoking cessation • Reading glasses • Sleeping aids for treating occasional insomnia • Sunscreen

Dental and Vision including copayments, deductibles, co-insurance, out-of-pocket costs

Dental services such as:	Vision services such as:
<ul style="list-style-type: none"> • Cleanings and fillings • Fluoride treatments and seals • Extractions • Dentures, bridges and crowns • Root canals • Orthodontia, including adult orthodontia 	<ul style="list-style-type: none"> • Eye exams • Eyeglasses and contact lenses • Contact lens solutions • Prescription sunglasses • LASIK or other corrective surgery

A more extensive list is available at www.flexdirect.adp.com.

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Take a Closer Look

The Dependent Day Care Flexible Spending Account (FSA) is available for reimbursement of your child care expenses. It's easier to use because you can anticipate your child care expenses. You may request payment for your dependent day care expenses by submitting a reimbursement form to ADP along with your documentation. You are reimbursed from your account within two weeks.

Associate Eligibility

This plan is designed to help you pay for expenses related to caring for your dependents while you are working. To be eligible, you must be single or married with a spouse who works or is a full-time student.

Documentation and Reimbursement

To use the Dependent Day Care Flexible Spending Account, you must have custody of the child(ren). To file a paper reimbursement request, you will need:

- The name and the taxpayer identification number (TIN) or Social Security number of the person or organization who provides the care
- The name of the person receiving the care
- The dates care was provided
- The total charges for the care

Eligible Expenses

Dependent care expenses include the cost of:

- Care in someone's home, including a neighbor's or relative's home
- Day care centers
- Nursery school
- Care in your home

To be eligible, expenses must be for a dependent under age 13 whom you claim as an exemption on your income taxes. This plan also reimburses you for care of a mentally or physically handicapped spouse or other dependent who requires care while you are working. You cannot pay someone in your immediate family from this account. If you are single, or married and file a joint return, you may put up to \$4,992 into the account each year. If you are married and file separate returns, the maximum amount you may put into this account is \$2,496.



Take a Closer Look

Federal Regulations To Consider When Using the Dependent Day Care FSA

Part-Time Work In general, associates should allocate expenses between days worked and days not worked when determining the amount to set aside in their Dependent Day Care FSA. However, under new regulations, associates who work part-time but are required to pay for dependent care expenses on a weekly or longer basis are not required to allocate expenses between days worked and not worked.

Temporary Leaves of Absence from Work

In general, dependent care expenses for a period in which the associate is absent from work (whether paid or unpaid) are not employment-related expenses. However, short, temporary absence from work, such as for minor illness or vacation, are disregarded for associates who must pay for dependent care expenses on a weekly or longer basis.

Special Rule for Children of Separated or Divorced Parents

The Internal Revenue Code (IRC) provides that, in the case of a child of divorced or separated parents, only the custodial parent may claim the child under the Dependent Day Care FSA, regardless of whether the non-custodial parent may claim the dependency exemption for income tax purposes. Regulations define custodial parent

as the parent with whom the child shares the same principal place of residence for the greater portion of the calendar year.

Kindergarten and Pre-School Expenses

The regulations clarify that expenses for programs at the level of kindergarten and above are primarily for education and therefore are not employment-related expenses and not eligible for reimbursement through a flexible spending account. The regulations also state that expenses for programs below the kindergarten level are for dependent care and may be employment-related expenses and are reimbursable expenses, even though education may be a significant part of these programs.

Specialty Day Camps

The full amount paid for a day camp or similar program for the care of a qualifying dependent is reimbursable, even if the camp specializes in a particular activity, such as soccer or computers. Expenses for overnight camps will continue to be an ineligible expense for reimbursement under the Dependent Day Care FSA.

Before and After School Care

Employment-related expenses for before-school and after-school programs at or above the kindergarten level may be employment-related and reimbursable.

Transportation Expenses

While expenses for transportation for a dependent between the associate's household and a place outside the associate's household where care is provided are not employment-related expenses, new regulations provide that the cost of transportation (such as transportation to a day camp or to an after-school program not on school premises) furnished by a dependent care provider may be considered an eligible expense if all other applicable requirements are satisfied.

Issues to consider for both FSAs:

Associate Payroll Deductions

Plan Choices	Participant Eligibility	Full-time Associate Contribution per pay	Part-time Associate Contribution per pay
Health Care Flexible Spending Account	All	\$5 to \$192	\$5 to \$192
Dependent Day Care Flexible Spending Account	Single	\$5 to \$192	\$5 to \$192
	Married, filing jointly	\$5 to \$192	\$5 to \$192
	Married, filing Separately	\$5 to \$96	\$5 to \$96



Notes:

1) The maximum annual contribution to the Health Care FSA is \$4,992. The maximum Dependent Day Care FSA contribution is \$4,992 a year for singles or for married couples filing jointly. The maximum contribution is \$2,496 for married couples who file separate tax returns.

2) If you become eligible and begin contributions after January 1, your maximum annual contribution is not reduced. Your per pay contribution will be calculated to allow for the maximum deduction.

Use It or Lose It

It's important to use any money in your accounts by the end of the calendar year. Because of the tax benefits associated with FSAs, federal regulations require that you forfeit any money left in your account at the end of the year. We call this "use it or lose it."

Time Limit for Filing Reimbursement Forms

You have until March 31, 2010, to file for reimbursement for services provided during 2009. You may file claims for reimbursement until March 31, 2010, provided the expenses were incurred while you were a participant in the plan and prior to December 31, 2009 or prior to the time your contribution ceased, whichever comes first.

Reimbursement Forms

You can get spending account reimbursement forms online at www.flexdirect.adp.com or on the St.Vincent Intranet. Click on "**Associate Information**" and then click on **SVH Benefits**.

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