



**Pharmacist e-Link e-Alert | Breaking News re: Flex Spending Card Transactions and IIAS | 12.05.08**

**Health Debit Card Developments**

Dear Colleague,

We received some good news on the IRS/IIAS/FSA/HRA front yesterday. What that alphabet soup means to community pharmacies is that the Internal Revenue Service has extended that deadline on when Flexible Spending Account and Health Reimbursement Arrangement debit cards may **not** be used at pharmacies unless the store has an Inventory Information Approval System or at least 90% of the store's gross receipts for the prior tax year qualify as medical care expenses.

The original deadline of Jan. 1, 2009 has been extended to July 1, 2009. We are gratified that the IRS pushed back the deadline, as we had requested in our letter to them Sept. 15.

But despite this reprieve, employers, the credit card companies behind the debit cards, third party administrators, and others are continuing to steer/push beneficiaries to pharmacies that use IIAS point-of-sale technology to instantly identify prescription and non-prescription items that qualify as medical care expenses and give the customer a record of them.

Remember, there is no IRS requirement that a pharmacy have an IIAS/POS. And, there are alternatives to IIAS/POS. (All of this is explained more fully in a [frequently asked questions](#) posting on the NCPA Web site.)

We are working on a bag stuffer that pharmacies can download that alerts customers that pharmacies can continue to accept FSA/HRA debit cards (absent a IIAS/POS, until July 1, 2009). I realize that for those of you without a POS, an \$8,000—\$30,000 outlay is a daunting expense in these perilous economic times. Please talk to your accountant about the special tax benefits of purchasing a POS this year. They may be enough to tip the balance to investing in a POS.

Regards,

A handwritten signature in black ink, appearing to read "Bruce Roberts", is placed over a light blue rectangular background.

**Bruce Roberts, RPh.**