

IIAS Changes Have Positive Affect

by Richard Bist

With the advent of 2008, FBMC's Card Services is pleased to announce that more drugstores and pharmacies will be programmed to accept health care reimbursement cards. The change is a result of a push by the Internal Revenue Service (IRS) for a national Inventory Information Approval System (IIAS) standard for card usage.

In response to the IRS directive, the IIAS Standards Interest Group was formed by a group of companies who support health card transactions. For what could be the first time ever, industry competitors came together to work for the common cause. FBMC was invited to be a part of this unique group as an official contributor. "We are part of the process," explained FBMC Card Services Manager Kendall Hall. "This will give us the opportunity to express our thoughts and opinions on the decision making."

It is expected that the combined interests of everyone involved will result in positive changes for the end-users. "This will be good for everyone," Ms. Hall said. "It will enhance the customer's experience and cut back on paperwork (auto-adjudication)."



Currently, a retailer's point of sale system identifies eligible healthcare purchases by comparing UPC or SKU numbers for purchased items against a pre-established list of eligible medical expenses, as outlined in Section 213(d) of the IRS Code. Without an industry-wide standard, retailers are left to develop their own approach to comply with the IRS, which would include making separate contractual arrangements with individual benefit administrators.

An IIAS standard will eliminate this process and give retailers the chance to implement an industry-wide solution, allowing acceptance of all health care reimbursement cards at any participating location. In addition, benefit administrators will have greater flexibility in reimbursement card plan design. Consumers will benefit by being able to use their reimbursement cards in more locations and with less paperwork.

"What it comes down to," Ms. Hall stated, "is that we have the best interest of our customers in mind." 