

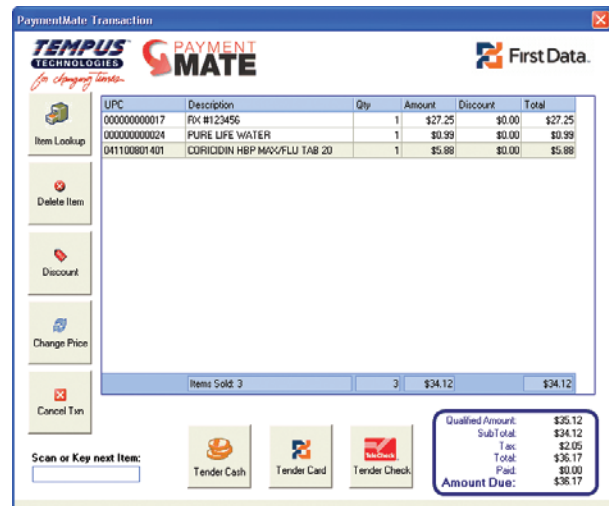
PaymentMate® Software for Pharmacies

The Challenge

According to IRS Notice 2008-104, after June 30, 2009, Flexible Spending Account (FSA) and Health Reimbursement Arrangement (HRA) debit cards may not be used at stores with the Drugstores and Pharmacies merchant category code unless the store participates in the Inventory Information Approval System (IIAS).¹

To retain existing customers in this growing market, pharmacies must make important enhancements at the point of sale. These enhancements include:

- Ability to identify FSA/HRA cards at the POS
- Ability to identify each qualified healthcare product (QHP) and nonqualified products at the time of purchase within the POS
- Ability to flag the QHP on the customer's receipt
- Ability to provide a subtotal of the QHP amount, including tax, less discounts
- Ability to support real-time processing, accommodate partial authorization and split tender capabilities for nonqualified products
- Ability to retain this data for five years to support potential IRS audit requests



Easy to read screen allows you to instantly identify qualified expenses.

The Solution

Tempus Technologies™ PaymentMate® solution is a software enhancement to your existing PC, or to your existing POS system, that substantiates the transaction in accordance with the IRS requirements for an IIAS at the time of purchase. It is easily downloaded and installed, and allows pharmacies to continue to accept FSA and HRA debit cards. PaymentMate is PCI PA-DSS validated, cost effective and approved by SIGIS (Special Interest Group for IIAS Standards).

¹ The SIGIS Association has created a process to support drug stores and pharmacies that meet IRS requirements, on a store location by store location basis, where 90% of the store's gross receipts during the prior taxable year consisted of items which qualify as medical expenses (including over-the-counter eligible healthcare items). Merchants qualifying for the 90% exception are not required to implement an IIAS to continue acceptance of FSA/HRA debit cards. Issuers optionally approving transactions without an IIAS are required to substantiate the purchase after the transaction is completed.

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Here's How It Works

Under this method, when the card is swiped, PaymentMate checks the Bank Identification Number (BIN) of the card to see if it is a FSA/HRA debit card. The system then compares the SKU information of the items purchased against the SIGIS list of eligible healthcare items. The list of eligible items includes over-the-counter healthcare products deemed in compliance with the standards set forth by the IRS. All items purchased are included in the total amount of the transaction, and the eligible healthcare items and prescriptions are flagged on the customer's receipt and listed as a subtotal of the total transaction amount.

Obtaining transaction approval requires the inclusion of the IIAS indicators, the amount of the eligible healthcare items and the SIGIS certified merchant identifier assigned by the card brand in the transaction. Card transactions using this solution are fully substantiated for IRS compliance and may eliminate the need for submission of a receipt by the cardholder after the purchase has been made.

Help Your Business

- Ensure continuous compliance with new IRS regulations
- Increase sales opportunities by capturing new FSA/HRA business
- Speed customer service at point of sale
- Provide expanded payment options to customers
- Process via our trusted platform
- Identify eligible healthcare purchases
- Offer data storage for these transactions

Help Your Customers

- Provide FSA/HRA payment options
- Deliver quick, positive buying experiences
- Eliminate the inconvenience of filing paper claims
- Provide documented, qualified transaction details on receipts

Features

- PCI PA-DSS validated
- SIGIS approved vendor
- Automatically downloads FSA/HRA card BIN files
- Identifies and subtotals qualified healthcare items and prescriptions
- Includes IIAS certification indicators
- Supports partial authorization and real-time reversal transactions
- Toll-free technical support, training, upgrades and maintenance
- Automatic debit conversion/PIN prompting to help reduce processing expenses
- Minimal hardware needs
- High Speed IP connectivity for fast transaction completion
- Five-year Data Storage Capability
- One solution supporting all payment needs including credit (Visa®, MasterCard®, Discover®, American Express®, JCB), signature debit (Visa, MasterCard, Discover) PIN-secured debit (all networks), First Data gift card (ValueLink), and TeleCheck® (PayIT, ECA, Internet check, etc) processing options

A Global Leader in Electronic Commerce

First Data powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment. Serving millions of merchant locations and thousands of card issuers, we have the expertise and insight to help you accelerate your business. Put our intelligence to work for you.

**For more information, contact your
First Data Sales Representative
or visit firstdata.com.**