

The Evolution Benefits Prepaid Card Program

2007

Evolution

Benefits

Awards



Evolution Benefits, Inc., headquartered in Avon, Connecticut, began operation in 2002. Its primary product, the Benny™ prepaid benefits card applies advanced payment and patented auto-substantiation technologies to health-related benefits accounts such as FSAs, HRAs, and HSAs. EB's auto-substantiation technologies were patented in 2005 and other patents are pending. EB now powers the programs of more than 175 health plans and administrative services organizations and covers more than 6,500 employers, including over 60 of the nation's top-ranked Fortune and Forbes companies.

About the Evolution Benefits (EB) Prepaid Benefits Card

The EB Prepaid Benefits Card is a special-purpose MasterCard® or Visa® card for use with FSAs, HRAs, HSAs, and other benefit accounts. With Benny™, our standard branded card or your own custom card, participants simply swipe the Card and the funds are automatically deducted from the applicable benefit account(s) for payment. EB applies electronic substantiation methods to verify that the transaction was for an eligible expense. The Card eliminates most out-of-pocket cash outlays and reduces paperwork for participants and their administrator. This convenience and improved cash flow leads to increased enrollment and higher contributions year after year.

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The Card Program of Choice for Third Party Administrators (TPAs) and Health Plans Administering FSAs, HRAs, and/or HSAs.

2008 — the right year to jump on board with Evolution Benefits!

Administrators are taking advantage of the new Inventory Information Approval Systems (IIAS) that make using benefits cards easier than ever in discount stores, department stores, grocery stores and on-line drug stores. These IRS-required systems separate FSA-eligible items from non-eligible items at the checkout so that receipts don't have to be provided to substantiate the purchase.*

You might think that these new IIAS systems level the playing field among card vendors and it no longer matters which prepaid card program you select. However, nothing could be further from the truth!

IIAS will:

- Significantly increase auto-substantiation rates.
- Reduce back office paper handling and increase TPA efficiency.

IIAS will not:

- Take care of all substantiation and card service requirements.

Here are the facts:

- Medical and dental card transactions will **not** be impacted by IIAS. You'll still need other auto-substantiation methods to verify the eligibility of medical, dental and vision purchases.
- Some merchants may not even implement IIAS, so you'll also need solutions that allow benefits cards to be used at these stores.
- IIAS does not provide card program-related services for benefit administrators.

So, even with the advantages of IIAS, you still need to choose a card program with **proven** capabilities for high auto-substantiation rates, multi-account card stacking, excellent customer service, and comprehensive marketing and enrollment support.

That's why EB should be your card program of choice.

Card Program Features at a Glance

- The EB Prepaid Benefits Card (Benny™) for your clients – 2 cards per participant with standard cardholder materials
- Embossing with the employer or TPA's name under the participant's name (within MasterCard® or Visa® guidelines). Co-branding and private label cards are also available (additional fees and minimums apply)
- Custom card services available for additional fees (minimums may also apply)
- Standard web and IVR activation
- Multi-account stackable Card
- Account management services
- Welcome kit and step-by-step implementation process
- Comprehensive training program
- Access to Benny™ Central Card Management System
- Standard file interface
- Integration with the leading administrative software providers in the industry
- Maximum IRS-approved auto-substantiation options, including:
 - Access to all certified Inventory Information Approval Systems (IIAS) merchants
 - PBM matching (proprietary real time and/or retrospective)
 - Retrospective third-party carrier data matching
 - Employee-level copayment matching
 - Recurring expense logic
- Robust reporting services (access via secure URL) including financial reconciliation, substantiation report cards, and cardholder transaction reporting
- Access to ShareMethods™ online application for a wide array of standard electronic marketing, enrollment and cardholder communications. Certain materials also available pre-printed.
- Cardholder access to www.MyBenny.com web site

* For a complete list of merchants who have implemented an IIAS and merchants who are in the process of implementing IIAS, go to: <http://www.sig-is.org>

In 2007, EB was the first to receive the award for "Most Innovative CDHC Product or Solution-Payment Card" at the CDHC Conference beating out competitors like American Express and Metavante. EB also received the Deloitte Fast 50 Award for Connecticut (second award), the Deloitte Fast 500 in North America (#28) and the Network World Enterprise All-Star Award.

"In our first month of partnership, Evolution Benefits pulled our auto-substantiation rate from 25% to 72% with the Benny™ [Prepaid Benefits] Card. And then we knew they were going to deliver."

Julie Lepine
Director of Operations
Mangrove Employer Services
St. Petersburg, Florida

Proven auto-substantiation (AS) capabilities

EB works for clients to achieve among the highest A-S rates of all benefits cards - around 80% to 90%. IIAS will bring that rate up even higher. EB offers all the IRS-approved auto-substantiation methods and has the expertise to use them effectively. Using our data expertise, EB can also complement the IIAS capability by providing an additional level of substantiation for clients with HRAs to insure that the eligible expense is within the approved plan design.

Multi-account stacking capabilities

Multi-account stacking is the ability to access more than one account on the same card and draw funds from the appropriate account at the point of sale. EB has offered a multi-account card since 2002. This capability is essential for consumer-directed health (CDH) products, where an employer may offer several benefit accounts. EB can manage up to 35 accounts on a single card, and administer programs with shared eligible merchant category codes.

Customer service and best practices

EB offers focused account management to provide clients with responsive, coordinated customer service. Card management best practices have also been developed from working closely with clients for over 5 years. We also provide training to incorporate these practices into your business quickly and easily. And, we've developed a Card Economic Business Model to help you determine the savings in your back office from offering a card.

Comprehensive marketing and sales support

EB makes it easy for you to promote tax-favored benefit accounts with the card. We give you comprehensive tools for business-to-business sales, as well as enrollment and cardholder communications – all included in the fee. We also provide a communications plan and consultation on how to use the materials effectively.