

I Implemented My IIAS System – Why Are Card Transactions Declining?

Merchants who have implemented IIAS systems continue to see declines on healthcare benefit cards. While there have been some isolated issues, both at merchants and at issuer processors, in the initial implementation of IIAS, the vast majority of transactions are working as intended. That is to say, **if the card transaction declines, it is most likely that the decline is valid.**

Listed below are the main reasons why properly formatted IIAS transactions at an IIAS merchant can validly decline against cards that are IIAS enabled¹. This is not intended to be an all-inclusive list, but represents the most common reasons that together account for most declines.

MOST FREQUENT VALID DECLINE REASONS

1. The card has not been activated or has been suspended
2. The card has no funds remaining, or the card has insufficient funds and the merchant does not support partial authorization
3. The cardholder is attempting to purchase only non-healthcare eligible items with a card that has only an FSA and/or HRA purse
4. The participant's plan only reimburses the prescription drug amount and
 - (a) The merchant does not send the Rx amount in the auth message, or
 - (b) The plan requires a match to claim(s) from a pharmacy benefit manager (the cardholder's prescription drug plan) and the transaction failed to match, or
 - (c) The merchant sends the Rx amount but does not support partial auth and there are non-Rx items being purchased
5. The participant's card has not been loaded with funds for the new plan year because of delays by the employer or TPA in getting the enrollment file to the issuer processor
6. The merchant sent an expiration date that does not match the date in the issuer processor's system – this can happen when there is an error key entering the expiration date
7. The merchant manually keys in a card number that does not match a valid card on file with the issuer
8. The cardholder was issued a new card, either because his/her employer changed TPAs or she/he changed employers, but is continuing to use the old card that has been closed

Declines for reasons other than #3 or #4 above would have happened last year before the implementation of IIAS. They have no relationship to IIAS and the implementation of IIAS cannot and was not envisioned to prevent them.

¹ NOTE: A small minority of employer plans may choose not to accept IIAS transactions; in those cases their employees' cards will not be IIAS enabled and transactions from merchant categories that are required by the IRS to have an IIAS will decline against an FSA or HRA purse.

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