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DataPath Integrates with Wal-Mart's IIAS for Electronic Substantiation of FSA-Eligible Items

Little Rock, AR (January 26, 2007) – DataPath, Inc., a leading provider of software solutions for employee benefits, announced today that they have signed an agreement that acknowledges the integration of its card processing system with Wal-Mart's newly released Inventory Information Approval System (IIAS). Working together, the systems are designed to electronically substantiate Flexible Spending Account (FSA)-eligible items effective January 27, 2007.

The service electronically tracks and verifies items that are FSA-eligible, which eliminates the paper-based substantiation and reimbursement process for claims administrators and consumers. When purchasing prescriptions and/or over-the-counter (OTC) FSA-eligible items using DataPath's debit card, the technology will match the items and automatically approve the transaction with no follow-up procedures required. For employees who use the mySourceCard® program, this virtually eliminates the need to provide receipts when they use their flexible spending dollars at Wal-Mart locations nationwide.

"DataPath is committed to providing cardholders with a convenient, simple, and friendly means of accessing funds from their benefit accounts" said John J. Robbins Jr., director of new product development. "Having this agreement with Wal-Mart allows our cardholders to continue to make healthcare purchases at the world's largest retailer instead of having to go elsewhere when new IRS Guidelines go in effect January 1, 2008."

Robbins adds "I am proud to say that DataPath has connected with Wal-Mart's IIAS technology nearly a year before the IRS deadline. This early adoption allows our card holders the most convenient access to their health care needs without the paper-work hassle. Now Employer Plan Sponsors can be confident of 100% compliance with IRS substantiation rules when their employees use mySourceCard® MasterCard® at Wal-Mart."

"The IIAS system gives customers an easy way to manage their FSA expenses. By maintaining a list of approved health care merchandise, customers no longer have to separate merchandise at checkout or wonder what is eligible for payment with an FSA card," said Alberto L. Dominguez, Director of Third Party Administration, Wal-Mart, Inc. "Working with providers like DataPath has helped make this customer service breakthrough possible."

IRS Notice 2007-2 provided transition relief with respect to the use of debit cards for medical expense reimbursements at certain merchants with non-health care related merchant category codes. After 12/31/07, purchases made at non-health care merchants will only be allowed if the merchant has an IRS required IIAS system operational, such as the one Wal-Mart and DataPath have implemented today.

About DataPath, Inc.

DataPath, Inc., is one of the nation's largest providers of Consumer Driven Health Plan solutions specializing in account-based administration systems. Since 1984, the service providers utilizing the DataPath systems have provided administrative solutions for over 1 million participants of FSA, HRA, HSA, and COBRA. DataPath is the only solutions provider to design and deliver a full Suite of administration systems for Cafeteria Plans (FSA, POP & DCAP), Health Reimbursement Arrangements, Transit / Parking Plans, COBRA, Health Saving Accounts, Credit Card, and Debit Card all delivered to the account holder participant through a single Internet portal, myRSC.com.