

Access to drugstore.com™ FSA Store Enhances Flexible Benefits Stored Value Card Solution from FSV Payment Systems

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BUSINESS WIRE

HOUSTON, TEXAS—August 17, 2005—FSV Payment Systems has significantly enhanced its *FLEXFUNDS*™ flexible-benefits stored value product with the addition of the drugstore.com™ FSA store to its over-the-counter and prescription solution for employees with flexible spending accounts. FSV provides *FLEXFUNDS* to large employers and third-party administrators (TPAs) to manage their tax-advantaged, HSA, HRA, and other flexible spending or benefits account programs. drugstore.com, inc. (NASDAQ:DSCM) is a leading online retailer of health, beauty, vision, and pharmacy products located at www.drugstore.com.

This solution allows *FLEXFUNDS* card users to purchase approved over-the-counter items at the drugstore.com™ FSA store (www.drugstore.com/FSA) using funds debited directly from their flexible spending accounts, health savings accounts or health reimbursement accounts. It also allows cardholders to purchase glasses, contact lenses and other vision products through drugstore.com™- powered Web sites located at www.visiondirect.com, www.lensmart.com, and www.lensquest.com.

Barry Blankenship, FSV vice president of healthcare services, explained, "The drugstore.com store provides 100 percent real-time adjudication of all items purchased through these sites with the *FLEXFUNDS* card. This means that cardholders no longer have to file written claims—and administrators no longer have to request receipts or issue paper checks—when items are purchased through this or other retail Web sites."

The patent-pending *FLEXFUNDS* platform features an unlimited number of customizable benefits purses under one card; robust purse linking; stacking or cascading capabilities; unlimited business and velocity rules; real-time data-exchange and administrative tools; reporting; and automatic Plan Year rollovers.

Mr. Blankenship continued, "*FLEXFUNDS* is the industry's first *true* one-card solution benefiting employers, TPAs and employees, because a company can offer its benefit participants a card with a general spend purse for purchasing power at any retail point-of-service (POS) or ATM. And the same card account can contain an infinite number of other purses that can differentiate between qualified and nonqualified products for tax-advantaged or flexible spending accounts."

"The drugstore.com technology platform makes FSAs and other section 125 plans easier for consumers to use and less expensive for providers to administer," said Matthew Stepka, vice president, pharmacy of drugstore.com, inc. "We have found that the special features our FSA store offers can greatly enhance participants' overall experience—often leading to increased contribution amounts and participation rates."

[ABOUT drugstore.com, inc.](#)

drugstore.com, inc. (NASDAQ:DSCM) is a leading online provider of health, beauty, vision, and pharmacy solutions. The drugstore.com™ online store is "the uncommon drugstore" and provides a convenient, private, and informative shopping experience that encourages consumers to purchase products essential to healthy, everyday living. The online store offers thousands of brand-name products, from everyday essentials to specialty and hard-to-find items, at competitive prices; a full-service, licensed retail pharmacy; and a wealth of health-related information, buying guides, and other tools designed to help consumers make informed purchasing decisions. Consumers can personalize their shopping experiences with shopping lists; e-mail reminders for replenishing regularly used products, and private e-mail access to pharmacists and beauty experts for questions.

drugstore.com, inc. has been awarded the Verified Internet Pharmacy Practice Sites (VIPPS) certification by the National Association of Boards of Pharmacy (NABP) as a fully licensed facility exercising competent, safe pharmacy practices in compliance with federal and state laws and regulations.

ABOUT FSV PAYMENT SYSTEMS

FSV Payment Systems offers a robust suite of unique, host-based Flexible Spending Account cards, payroll cards, and other *MarketReady*™ stored value ePayments solutions to large employers, financial institutions and Third Party Administrators as a strategic business partner of Fiserv, Inc. The patent-pending CouraStar processing platform from FSV is both proprietary and configurable, offering such features as unlimited pursuing and automated Plan Year rollovers. This functionality allows for the delivery of both standard and customized programs developed to support customer requirements. For more about FSV, visit www.fsvpaymentsystems.com. For more about the use of stored value cards for FSAs, HSAs, HRAs or other healthcare benefit accounts, visit www.flexfundscard.com.

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