



# Frequently Asked Questions for a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA)

## Q. What is the HDHP?

A. The High Deductible Health Plan (HDHP) is a health care plan that gives you more control and responsibility over how you spend your health care dollars. Under the HDHP, your per pay check employee costs are lower and your annual deductibles are higher than a Traditional PPO. However, you can make pre-tax contributions to a Health Savings Account (HSA) to help pay for qualified health care expenses.

## Q. How can I receive the most value from the HDHP?

A. You can get the most value from your HDHP by actively managing your health care, knowing the plan and how you use medical care.

*Use preventive care.* Take advantage of your 100% in-network preventive care so you can stay healthy and detect problems before they become serious.

*Lead a healthy lifestyle.* Not only will you feel better, but you may end up spending less on health care, less of your own money and saving more of your HSA for future health care needs.

*Know the costs and look for appropriate alternatives.* Taking financial responsibility is a big part of using the HDHP plan. You can save money by researching for in-network facilities that are lower cost options but are still high in quality of care. All medical carriers have tools on their website to assist. You should also consider alternative means of care and discuss with your provider (e.g. generic instead of brand drugs, an X-ray instead of an MRI, going to your primary care physician or an urgent care facility rather than an emergency room for non-life threatening medical conditions, etc.).

## Q. Is the network for the HDHP different than the network for the Traditional PPO?

A. The HDHP uses the same network as the Traditional PPO.

## Q. Do I pay for the full amount of the office visit when I go to the doctor?

A. If you see an in-network doctor, you are responsible to pay the discounted amount, until your deductible is met. If you use an out-of-network doctor, you are responsible for the full amount. The doctor's office should submit a claim to your medical insurance carrier. The medical insurance carrier will then apply all discounts and credit your deductible. Once the claim is processed, you will receive an explanation of benefits (EOB) showing the amount that is your responsibility. You can use your HSA for the amount that is your responsibility.

## Q. What do I say if my doctor's office asks what is my copay?

A. With the HDHP, you will not have a copay for your care. If your doctor's office asks, tell them you do not have a copay, you have a deductible then coinsurance. For preventive services, your care is covered at 100%, no deductible for in-network providers. For non-preventive care, you will pay for the cost of your care based on the discounted amount after your doctor's office has submitted the claim to your medical insurance carrier.

## Q. Will preventive care be covered?

A. In-network preventive care services are covered at 100%. That means your routine physicals, well baby care, immunizations, screenings, from colonoscopies to mammograms are not subject the deductible or coinsurance.

## Q. Do I pay the full amount for prescription drugs?

A. Until you meet your combined medical and prescription drug deductible, you will pay the discounted cost of prescription drugs instead of copays. Once the deductible is met, you will pay your coinsurance until the out of pocket maximum is met.

## Q. Is there a separate deductible for each covered dependent?

A. No. Your deductible is based on the coverage tier selected. If you elect employee only coverage then you must only satisfy the individual deductible. If you elect employee plus dependent coverage (i.e. employee plus spouse, employee plus dependent(s), or family) you must satisfy the entire family deductible before coinsurance applies.

## Q. Is there 4th quarter deductible carry-over on the HDHP plan?

A. No, this is not allowed per the IRS guidelines for an HSA compliant HDHP.

## Q. What is a Health Savings Account (HSA)?

A. A Health Savings account, most commonly called an HSA, is a bank account that you own and use to pay for now and future qualified health care expenses.

Key features include:

- The HSA is a tax-savings vehicle that lets you set aside tax-free money to pay for eligible health care expenses. You decide which expenses to pay from your HSA.
- Your balance rolls over year to year. There is no "use it or lose it" rule like in an FSA.
- If you leave your current employer or retire, you take the money with you; you own the account.

**Q. How do I know what is included as “qualified health care expenses”?**

A. “Qualified health care expenses” are defined by IRS code 213(d). Qualified expenses include, but are not limited to, doctors’ visits, hospital expenses, labs, x-rays and other diagnostic services, prescription drugs, hearing aids, braces, wheelchairs. For a complete listing go to: [www.irs.gov/publications/p502/index.html](http://www.irs.gov/publications/p502/index.html).

**Q. Who qualifies for an HSA?**

A. You may open and contribute to an HSA if you meet all the below criteria:

- Enrolled in the HDHP
- Not covered by other medical insurance other than another HDHP
- Not claimed as a dependent on someone else’s tax return
- Not enrolled in Medicare

**Q. Who owns the HSA?**

A. You do.

**Q. Does my employer have access to my HSA information?**

A. No. Since you own and manage your own HSA, your employer cannot access or view your account.

**Q. How much money can I contribute to my HSA each year?**

A. In 2015, the maximum contribution for individual coverage is \$3,350 and the maximum contribution for family coverage is \$6,650. HSA account holders over the age of 55 can make an additional “catch up” contribution of \$1,000 per year. These limits are set by the IRS and are typically increased each calendar year for a January 1st effective date.

**Q. What happens to the money in my HSA if I change health plans, leave my current employer, or retire?**

A. You own the HSA, so the money is yours to keep. If you retire and are insured by Medicare, or change to a non HSA-qualified plan you can still use the money in your HSA to pay for out-of-pocket qualified health care expenses but you won’t be able to continue to make contributions to your HSA.

**Q. Can I take the money out of my HSA any time I want?**

A. Yes. You can take money out anytime, tax-free and without penalty, as long as it’s used for qualified health care expenses. If you withdraw funds for other purposes, you will pay income taxes on the withdrawal plus a 20% penalty.

**Q. I enrolled in the HDHP but didn’t elect to cover my dependents. Can I use my HSA to pay for my dependent’s qualified health care expenses?**

A. Yes. Your HSA can be used to pay for qualified health care expenses of any family member who qualifies as a dependent on your tax return. Remember, if the dependent isn’t covered under your plan, his/her expenses won’t apply toward your plan’s deductible.

**Q. My domestic partner is covered on my insurance plan. Can I use my HSA for their qualified medical expenses?**

A. You can only use your HSA for his/her qualified medical expenses if your domestic partner meets the IRS qualifications as a tax dependent.

**Q. I am currently enrolled in Medicare. Can I be on the high deductible health plan?**

A. You can be covered by both a HDHP and Medicare but once you are enrolled in Medicare, you can no longer contribute to your Health Savings Account. You can use any existing money in the HSA to pay qualified health care expenses.

**Q. My spouse has an FSA or HRA through their employer, can I have an HSA?**

A. You cannot have an HSA if your spouse’s FSA or HRA can pay for any of your medical expenses before your HDHP deductible is met.

**Q. Can I use my HSA to pay for medical expenses incurred before I set up my account?**

A. No. You cannot reimburse qualified health care expenses incurred before the date your account is established.

**Q. If I incur an eligible expense but choose not to use money in my HSA to reimburse myself immediately, can I do so in the future?**

A. Yes. Therefore, it is very important to keep your receipts for your health care expenses. You can withdraw funds from your HSA years after you incur the expense as long as you have the appropriate documentation.

**Q. Can I open an HSA if I currently have an FSA?**

A. If you currently have an FSA you cannot open an HSA until January 1st. You can still use money in the FSA to pay for qualified medical expenses incurred while enrolled in HDHP until December 31st. The IRS does not allow an individual to have both an FSA and an HSA at the same time unless it is a limited purpose FSA.

**Q. What is a limited purpose FSA?**

A. It is an account where you contribute money on a pre-tax basis to pay for qualified vision and dental expense only.

