

HSA FAQs

1. What is an HSA?

- a. An HSA is a Health Savings Account/ healthcare bank account. The main purpose of this account is to offset the cost of a qualified high deductible health plan (HDHP) and provide savings for your out-of-pocket eligible healthcare expenses.

2. What is an HDHP - High Deductible Health Plan?

- a. It is a health plan with a higher deductible than a traditional insurance plan. The monthly premium is usually lower, but you pay more health care costs yourself before the insurance company starts to pay its share (also called your deductible).

3. Can I stay on the current Medical Mutual PPO plan and receive HSA funding?

- a. No, the HSA funding will only be available to you if you switch to the Medical Mutual High Deductible Health HSA plan. There is no employer funding with the PPO plan.

4. What will our premiums be on the HSA compared to what our premium is on our current plan?

- a. If you are on the family medical plan, you are currently paying \$158.39 per pay. If you switch to the High Deductible HSA plan, it will be \$114.46 per pay.
- b. If you are on the single medical plan, you are currently paying \$74.54 per pay. If you switch to the HSA plan, it will be \$53.87 per pay.

5. What will be our deductible on the HSA compared to what our deductible is on our current plan?

- a. Your current deductible is \$150 for individual & \$300 for family in the current PPO plan. The HSA plan's deductible is \$3200 for individual and \$6400 for family.

- b. If you switch to the HSA, we will put \$2,240 (for single coverage) or \$4,480 (for family coverage) into an HSA account to help pay for your medical expenses.
 - c. These funding amounts pertain to full-time employees.
 - d. Part time employees have a pro-rated amount that would be funded.
- 6. Can we continue to use the same medical providers that we have been using on the current plan?**
- a. Yes, there is no change to your medical provider. Our benefits continue to remain with Medical Mutual. The only difference is how you pay for your service. So if you switch to the HSA plan, you no longer have a copay. You will be billed instead and you would use the money in your HSA account to pay for your services.
- 7. My spouse has single coverage in a PPO plan through their employer. If I have family coverage in the HSA plan (which includes my spouse), can they still be covered on my plan as secondary?**
- a. They would not be able to have secondary coverage because they do not have a qualified high deductible HSA health plan.
- 8. Can my spouse or children use my HSA if they are not on my insurance?**
- a. You can use money from your HSA to pay for your spouse's medical expenses as long as those expenses fit into the IRS rules. The IRS allows you to use your HSA to pay for eligible expenses for your spouse, children or anyone who is listed as a dependent on your tax return.
 - b. Important to Note: If they are not on your insurance, the medical expenses paid will not count towards your deductible.
- 9. The HSA debit card application shows that I can choose between a limited HSA card or an unlimited HSA card. What is the difference?**
- a. Limited Debit Card - Comes with the Healthcare Spending Protection. This card will only be accepted at vendors that have the medical coding on their terminals, including grocery stores with pharmacies, drug stores, etc.

- b. Unlimited Debit Card - Does not have Healthcare Spending Protection, which means it can be used at any vendor that accepts the Mastercard logo.
- c. Typically we recommend selecting the limited debit card option as it will protect against making unqualified healthcare purchases.

10. Do prescriptions count towards our deductible? If so, is there a list of prescriptions that are eligible/not eligible?

- a. Yes they would count towards the deductible. There is no different list of prescriptions. The prescriptions that are currently covered in the PPO plan will continue to be covered in the HSA plan. The only difference is how they are paid. There will be no copay with the HSA plan, you will pay the billed amount for your prescription. The money in your HSA account will help pay for these prescriptions.

11. Will our HSA be an Aggregate or Embedded deductible? If it is Embedded, what are the individual deductibles for each family member in a family of 3,4,5 ect?

- a. Embedded. Which means once 1 person hits the \$3,200 (that person pays nothing for the rest of the year), then the rest of the family (all together) has \$3,200. Only a max of 2 deductibles per family (\$6,400 total) no matter the size of the family.

12. Why is it a good idea to have an HSA?

- a. By participating in a qualified HDHP, you will be responsible for most first-dollar medical expenses.
- b. An HSA benefits you by allowing you to offset those costs while saving money on taxes in three ways:
 - i. Tax-free deposits – The money you contribute to your HSA isn't taxed (up to the annual IRS contribution limit)
 - ii. Tax-free earnings – Your interest and any investment earnings grow tax-free
 - iii. Tax-free withdrawals – The money used toward eligible healthcare expenses isn't taxed – now or in the future

13. After retirement, can HSA funds be used to pay for Medicare PREMIUMS?

- a. Yes, but only for Medicare supplement plans like Medicare parts C & D. Medicare A is typically free and Medicare B is withheld from one's social security.

14. Are there 2 different cards? One for Medical and one for Dental/Vision or is it all one card?

- a. There's no change to Dental and Vision. Delta Dental and VSP do not issue cards, but they can be printed off their website.
- b. If you switch to the HSA plan, you will receive a new HSA Medical Mutual insurance card in the mail.