

## Make a health-wise investment in your future.



If you have a high deductible Oxford® medical plan, you can open a health savings account (HSA)—a personal bank account to help pay for current health care expenses and save for those in the future. Contributions to an HSA, made through a payroll deduction, are pretax and the interest earned is tax-free.

### With an HSA you can:



#### Deposit your health care dollars.

Add money anytime up to the annual contribution limits set by the IRS.



#### Grow your savings.

Deposits into your HSA may earn interest and continue to grow over time. HSAs have no “use it or lose it” rule.



#### Save on taxes.

Deposits and qualified expenses are exempt from federal income tax, and savings grow tax-free.



#### Pay for health care, now or later.

Use your HSA to pay for qualified medical expenses like trips to urgent care, prescriptions, dental care and more.

#### 2020 HSA limits.

The IRS limits how much you can deposit into your HSA each year. The 2020 limits are:

- \$3,500 for individual coverage.
- \$7,000 for family coverage.

#### Are you 55 or older?

You can deposit an extra \$1,000 during the year. This is called a catch-up contribution.

### Two steps to start your health savings.

#### 1 Choose your bank.

You can open your HSA with any bank of your choice, but Optum Bank®, member FDIC, is our health care bank of choice.

#### 2 Open your HSA.

Open and deposit money into your HSA right away so you're prepared if you have a health event. You or anyone else can deposit money into the HSA at any time.

# Frequently asked questions about health plans.

## What is an annual deductible?

The annual deductible is the amount of money that must be paid before your plan will help pay for eligible health care expenses. You do not need to pay anything out of your pocket for in-network covered preventive care, as it will be covered at 100%.

## What is coinsurance?

Once the deductible is paid, your health plan has coinsurance. With coinsurance, the plan shares the cost of eligible expenses with you. The plan will pay a percentage of each eligible expense and you will pay the difference between the eligible expense and the billed charge. For example, if your plan pays 80% of the cost, you will pay 20%. After the deductible, your plan may have a copayment for certain services, such as prescriptions.

## What is the maximum out-of-pocket?

The out-of-pocket limit amount is the maximum cost-share you will pay for eligible covered services in a plan year. The maximum out-of-pocket amount is the most you have to pay each year for eligible covered services. The plan will then pay 100% of all remaining covered expenses for the rest of the plan year. Your deductible, coinsurance and copayments (if they apply) will go toward reaching your maximum out-of-pocket.

## Will I have fewer provider choices? Is my doctor in the network?

Plans can be either gated or non-gated. If gated, you will need a referral for specialist care in-network. You generally save money when you choose participating (network) doctors (including specialists), hospitals and pharmacies because they have agreed to our contracted rates. If you receive care outside of our network and your plan provides coverage for out-of-network services, eligible covered services will be covered but it might cost more money. Some services may not be covered if provided by a nonparticipating (out-of-network) doctor. See your plan documents for details.

## Will I have a copayment?

If you have paid your annual deductible, you may have a copayment for certain services, such as prescriptions and other services. You will not have a copayment for in-network covered preventive care services received. Copayments (if they apply) will go toward meeting the maximum out-of-pocket.

## What is the premium?

The premium is the money you pay each month out of your paycheck to have health coverage. It also normally includes a portion that your employer pays and may be less than what you've paid with traditional copayment plans.

## Will I have a lot of prescription choices?

Yes, you will have many choices when it comes to prescriptions. In fact, we provide medically necessary U.S. Food and Drug Administration (FDA)-approved prescription medications unless there is a specific exclusion in the plan. These medications are identified in the plan's Prescription Drug List (PDL). The PDL includes those brand and generic prescription medications that can be covered under your plan. When selecting a medication, you and your doctor should consult the PDL, which can be found on your health plan website.

## Are emergency room and urgent care services covered?

Yes, eligible emergency room and urgent care services are covered after you meet your plan's deductible.

# Frequently asked questions about HSAs.

## What is a qualified medical expense?

The Internal Revenue Service (IRS) decides which expenses can be paid and reimbursed from an HSA. You can find information about which expenses can be paid with an HSA at [IRS.gov](https://www.irs.gov).

## What expenses don't qualify for tax benefits?

Examples of expenses that do not qualify include cosmetic surgery, health club memberships, teeth whitening and over-the-counter medicines purchased without a prescription. If you use an HSA to pay for an expense that is not qualified, you will have to pay taxes on the expense and may also have to pay a 20% penalty. So, if the expense was \$100, you would pay an extra \$20, plus taxes.

## Do I have to use the bank my employer chooses?

You can open your HSA with any bank of your choice, but Optum Bank, member FDIC, is our preferred health care bank.

## Can other people contribute to my HSA?

Yes, anyone can contribute to your HSA. A family member, for example, may choose to give you money that you can deposit into your account. Wherever the money comes from, though, keep in mind that there are annual contribution limits set by the IRS. Contributions above the annual limit are subject to income taxes and a penalty.

## If I need to pay for a doctor visit or a prescription, how do I use HSA dollars?

When you have a doctor visit with a network doctor, he or she will submit the claim for you. We will process the claim to:

- Make sure the claim is an eligible expense under your plan.
- Determine whether the claim was for eligible preventive care, so it can be paid 100%, which does not affect the HSA.
- Make sure the service is charged at a discounted rate for seeing a network doctor.

Once you receive a bill from your doctor or if you are at the pharmacy filling a prescription, you have a few options:

- First, most banks will give you a debit card to make paying easy. You can pay the bill with your debit card by filling out the credit/debit card information on the bill. If you are at the pharmacy or a walk-in clinic, you can swipe the card or hand it to the cashier, just like you would with any other debit card.
- Some banks may also make checks available to you (sometimes at a charge).
- You can pay another way, such as with cash or other credit card. Later, you can choose to reimburse yourself from your HSA, or let your dollars grow for the future.

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## How is a plan with an HSA different from a traditional copayment plan?

Most traditional copayment plans focus on managing your health benefits. This plan focuses on managing your health by encouraging you to:

- 1 Take a more active role in your health care buying decisions.
- 2 Make healthier choices.

In addition, traditional copayment plans typically have a lower deductible and higher premiums, so you pay more up front and less when you need care. Conversely, with the HSA plan, you have a higher deductible but lower premiums. So you typically pay less up front with lower premiums and more for care when you need it. This way, you only pay for the care you need, which may save you money.

## Can I use the HSA for my spouse or dependents if they are not covered under my plan?

Yes. You can use the money in the HSA to pay for qualified medical expenses of your spouse and your dependents even if they are not covered by your plan.

## If I am still carrying health coverage for my 24-year-old, can I use my HSA to help pay for his qualified medical expenses?

An adult child must still be a tax dependent in order for his or her medical expenses to qualify for payment or reimbursement from a parent's HSA. If the adult child is not a tax dependent but is covered by a parent's HSA-eligible health plan, he or she may be able to open his or her own HSA. In these circumstances, it is best to consult with a competent tax adviser.

## What if my spouse is also covered by an HSA-eligible health plan and has an HSA?

Federal law says that in this case, the two of you together can only contribute up to the family limit, either to individual HSAs or to one or the other's HSA.

## If I'm 65 or older and decide to retire, what happens to my HSA?

Once you retire, you can continue to receive tax benefits when you use the HSA for qualified medical expenses. If you are 65 or older, there is no penalty for withdrawing your money, even if you enroll in Medicare. When your Medicare coverage starts, you can use your HSA to pay your Medicare premiums, deductibles and copayments. After you turn 65 or become entitled to Medicare benefits, you may withdraw money from your HSA for non-medical purposes without penalty. The withdrawal is treated as retirement income and is subject to normal income tax.

## Can I have an HSA and a health care flexible spending account (FSA)?

No. If you are enrolled in a health care FSA, federal tax law does not permit you to be eligible for an HSA. But the law does permit you to enroll in what is called a limited-purpose FSA to pay for eligible dental and vision expenses. See your benefit plan to see if a limited-purpose FSA is available to you. You may also open a dependent care FSA if your employer offers this option. A dependent care FSA can help you save to pay for qualified day care expenses for children under 13 or adult dependents who cannot care for themselves.



**To learn more:**

Visit your health plan website and [IRS.gov](https://www.irs.gov).

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The Oxford plan from UnitedHealthcare with a health savings account (HSA) is a high-deductible health plan that is designed to comply with IRS requirements. Eligible enrollees may open an HSA with a bank of their choice or through Optum Bank, member FDIC. This communication is not intended as legal or tax advice. It is meant for general informational purposes only. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change.

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