

## Optima Equity Offered with a Health Savings Account (HSA)

### Member Frequently Asked Questions

**1. What is a Health Savings Account?**

A Health Saving Account (HSA) is a savings and spending account that offers members a tax-advantaged way to pay for qualified medical expenses. You can also save for future medical and retirement healthcare expenses. In order to open an HSA, you must be enrolled in a qualified High-Deductible Health Plan (HDHP).

**2. What is a High-Deductible Health Plan?**

An HDHP can be viewed as a “lower premium” plan. With an HDHP, the member pays for initial healthcare expenses until the plan Deductible is satisfied. The HSA may be used to cover those expenses. You can decide whether to use premium savings to start funding an HSA. The Optima Health HSA qualified plans are called “Optima Equity.”

**3. Who is eligible to open an HSA?**

Anyone who is covered by a qualified HDHP, is not covered by other health insurance, not enrolled in Medicare, and cannot be claimed as a dependent on someone else’s tax return.

**4. Who can contribute to an HSA?**

The member, their employer, or a third party can fund HSAs with tax-free dollars.

**5. How much can be contributed each year?**

For 2017, HSA holders can contribute up to \$3,400 for individual coverage, or \$6,750 for family coverage. HSA holders age 55 or older may also make an additional contribution of \$1,000 per year (for a total of \$4,400 for individual coverage or \$7,750 for family coverage).

These maximums are established by the Internal Revenue Service (IRS) and are subject to change every year. Contributions are 100% tax deductible from gross income.

**6. Who owns the HSA?**

The member owns the account regardless of who contributes. The funds remain in the account and earn tax-free interest and returns over time.

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### 7. **What can I pay for with my HSA funds?**

An HSA can be used to pay for any qualified medical expense as defined by the IRS. Qualified medical expenses include, but are not limited to Copayments, Deductibles, Coinsurance, Vision, and Dental care. For a list of qualified medical expenses, please refer to IRS Publication 502 at [www.irs.gov](http://www.irs.gov).

### 8. **What are the benefits of using Optima Equity, the integrated HSA that Optima Health offers?**

After choosing the Optima Equity benefit plan, the HSA account will be set up automatically during the same enrollment process when the member elects to open an account. Our HSA Partner, HealthEquity<sup>®</sup> (HEQ), administers the financial portion of the account.

As you incur services with the Optima Equity plan, Optima Health provides your medical claims information to HEQ for you to manage your expenses online. Electronic payment capabilities are offered through the HEQ PayChoice<sup>™</sup> payment platform, which you can access by signing in at [optimahealth.com/members](http://optimahealth.com/members), then selecting “Manage My HSA Account” from your MyOptima menu on the left side of the screen.

The IRS allows individuals to work directly with any bank or other HSA provider that administers qualified accounts. When a non-integrated HSA provider is used, the accountholder must apply separately, provide all of the financial information to set up and use the account, and pay additional account fees to the non-integrated entity.

The integrated Optima Equity solution offers our members a simpler experience at no cost—it is all included with your integrated Optima Equity health plan.

### 9. **Which individuals benefit most from HSAs?**

HSAs and qualified high-deductible health plans can work for anyone. They offer an option to save for retirement and pay for medical expenses in the meantime. In order to determine if an HSA is right for you, compare your various benefit options and evaluate them based on your financial and health situation.

### 10. **How can I use my HSA through Optima Equity to pay for eligible services?**

Accountholders can make payments by debit card, online electronic funds transfer (EFT), or by phone.

The PayChoice<sup>™</sup> platform enables members to manage their account information, see account balances, request reimbursements, or make payments from the account directly to providers.

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Paper reimbursement checks to the member are also available for an additional fee. All records are maintained electronically in the Member Portal for record keeping, tax purposes or for future payment decisions.

Experienced HEQ Member Service representatives are available 24/7 at 866-346-5800 to answer questions about your HSA or to assist you with phone transactions.

- 11. What happens to HSA funds if the member changes jobs or retires?**  
The account belongs to the member accountholder. You can keep your HSA even if you change or lose your job, change your medical coverage or move to another location. You own the account.
- 12. Can HSA funds be withdrawn at any time?**  
Yes, as long as they are used to pay for qualified medical expenses, the money is not taxed. If the funds are used before age 65 for non-qualified expenses, the amount spent will be taxed and incur a 20 percent penalty. Once the member reaches age 65 the funds can be used for non-qualified expenses, but withdrawals will be subject to tax.
- 13. Can a retiree contribute to an HSA?**  
Yes, if they are covered by a qualified high-deductible health plan and not enrolled in Medicare, another health insurance plan, or are claimed as a dependent on someone else's tax return.
- 14. Do members lose HSA funds at the end of the year?**  
No, the remaining funds roll over into the following year and grow tax-free.
- 15. Does an HSA earn interest?**  
Yes, and the interest accumulates tax-free.
- 16. Can HSA funds be invested?**  
Yes, once a \$2,000 account balance is achieved, the first dollar above this amount can be invested. The money deposited into your HSA can earn interest or get investment returns—your choice. Your money is never taxed if you use it for qualified medical expenses regardless of your age.
- 17. Do I have to pay any additional out-of-pocket costs for wellness or preventive benefits\*?**  
No, wellness or preventive benefits are paid by Optima Health and are not subject to the HDHP Deductible. Most preventive services are covered at 100 percent of the contracted provider rate.

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**18. What happens after I open an HSA with my Optima Equity plan?**

The accountholder will receive the following items from HealthEquity:

- An HSA Member Welcome Letter, which lists all of the features of the HSA, including the Client Services contact information.
- A Member Guide providing the accountholder with information on how to navigate their HEQ Member Portal and manage their HSA.
- A Visa<sup>®</sup> debit card with activation sticker and card carrier.
- The PIN mailer sent separately, which contains their debit card Personal Identification Number.
- Custodial account agreement for their records.
- HSA interest rate schedule.

**19. How do I access my HSA account?**

Sign in to your MyOptima secure site at [optimahealth.com/members](https://optimahealth.com/members). Select “Manage My HSA Account” from the MyOptima menu on the left side of the screen to navigate to your HEQ Member Portal.

If you are registering at [optimahealth.com/members](https://optimahealth.com/members) for the first time, you will need your Member Number from your Optima Health member ID card to create a username and password.

**20. Where can I get information on investment funds?**

You can access investment fund information in your HEQ Member Portal accessed through your secure MyOptima menu on [optimahealth.com/members](https://optimahealth.com/members).

\* As defined under Patient Protection and Affordable Care Act (PPACA)

Optima Health is the tradename of Optima Health Insurance Company. Optima Equity Plus HSA qualified high-deductible PPO is underwritten by Optima Health Insurance Company. Optima Equity Vantage HSA qualified HMO is underwritten by Optima Health Plan. Benefit exclusions and limitations apply. For costs and complete details about coverage, ask your broker or employer. The information provided in this document is not tax or legal advice. The tax treatments vary for each situation. Please consult your tax or legal counsel for tax implication of your unique situation.