Yeshiva University

Your Benefits, Your Choice

How to Use a High Deductible Health Plan (HDHP) and a Health Savings Account (HSA)

What is a High Deductible Health Plan?

A high-deductible health plan (HDHP) features an annual deductible. You pay first dollar "up front" costs for all physicians' visits, medical services, and prescriptions until you meet your annual deductible.

Preventive care visits are provided at no cost to you.

When you have a provider visit for anything other than preventive care, you will be responsible for the negotiated rate in-network. Out-of-network, you will be responsible for the amount the provider charges. It is always better to stay in-network to take advantage of the negotiated rates.

Once you meet the deductible, if applicable, coverage is shared with the insurance company until an out-of- pocket maximum is met.

What is a Health Savings Account?

Enrolling in the HDHP makes you eligible to participate in a Health Savings Account (HSA).

An HSA is a personal health care bank account that you can use to pay out-of-pocket medical expenses with pre-tax dollars. You will own and administer your account, and there are no "use it or lose it" restrictions.

HSAs allow you to save and "roll over" money if you do not spend it in the calendar year. These are individual accounts. If you change health plans or jobs the money in the account is yours to keep.

There are triple tax savings:

1. Any money put into the HSA is tax-deductible
2. Withdrawals from the account for eligible health expenses (including dental and vision) are tax-free
3. Interest earnings are tax-free

tip Carefully create your medical budget and set aside your budgeted amount in the HSA.

How does a Health Savings Account Work?

HDHP

- Protection from big medical bills
- Provides same in-network providers as non-HDHP plans

HSA

- Helps pay deductible
- Pre-tax contributions
- Tax-deferred growth
- Tax-free withdrawals for medical
- Save for future expenses[1]

HDHP + HSA

- Control healthcare expenses
- Increase tax savings
- Lower insurance premiums
- Flexibility & portability
- Savings for retirement

2020 Annual HSA Contributions Limits

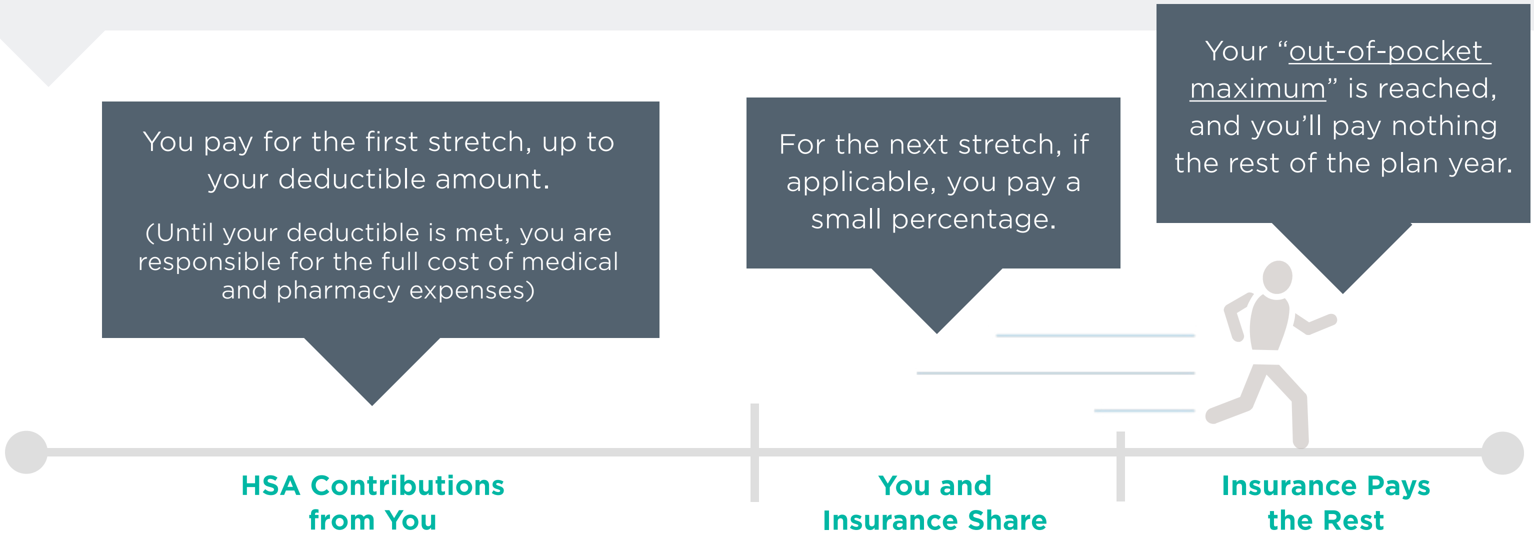
Individual: $3,550

Family: $7,100

Catch-up Contribution: If you are age 55 or older, you can contribute an additional $1,000.

1. Funds may also be saved for future medical expenses (or other eligible out of pocket ex-penses) for you and your eligible dependents

How Does it Work?



tip

There may also be out of pocket spending at this point if the HSA funding does not cover expenses.

What Happens When I have a Doctor's Visit?

Doctor Visit (In-Network)

1. Show Aetna ID Card at the time of service which provides access to discounts Aetna negotiated
2. Doctor submits claim
3. Aetna processes claim
4. You receive an Invoice from your provider and an Explanation of Benefits (EOB)
   - Ensure your invoice matches up to your EOB[1].
   - You can pay with HSA, if funds are available. If funds are not available yet, you may pay out-of-pocket and reimburse yourself at a later date. Be sure to keep all of your receipts!

1. Provider cannot balance bill. Balance billing is when a provider bills you for the difference between the provider's charge and the allowed amount. For example, if the provider's charge is $100 and the allowed amount is $70, the provider may bill you for the remaining $30. A preferred provider may not balance bill you for covered services.

Doctor Visit (Out-of-Network)

1. Show Medical ID card to doctor
2. Non-participating doctor bills you
   - File a claim with UHC
3. If you owe, provider bills you
   - For non-Participating providers, Aetna pays 60% while you pay 40% after you've met your deductible.
4. When you have claim activity, you will receive an EOB or Health Statement
   - You should match your EOB to the provider bill.

Pharmacy (In-Network Only)

Until your overall deductible is met, you will be responsible for the full drug cost when picking up from the pharmacy. Once you meet your deductible you will only pay the copay.

Who can enroll in an HSA?

You must be enrolled in a qualified High Deductible Health Plan in order to enroll in a HSA. You may not be enrolled in Medicare or Tricare, nor may you be covered under a spouse's traditional medical plan.

If you are over age 65 and eligible for Medicare, as long as you do not enroll in any Medicare Plan, including Part A, you may still elect to enroll in an employer's High Deductible Health Plan with HSA, as long as you do not enroll in Medicare.

Are my dependent's medical expenses payable through the HSA?

Any tax dependents' medical expenses may be paid through the HSA. Please check with your tax adviser.

What can my HSA be used for?

The HSA is used to pay or reimburse you for qualified medical, pharmacy, dental and vision expenses. If it is used for non-qualified expenses, there will be a tax penalty.

Can I change the amount I am contributing to the HSA?

The amount you have elected to contribute to your HSA may be changed, stopped or increased at any time in the year.

You may elect to have the entire annual contribution taken in the beginning of the year or per paycheck.

How does the HSA interact with a Flexible Spending Account?

- If you enroll in an HSA, you may not have a Flexible Spending Account (FSA) to use for medical or pharmacy expenses.
- You may have a limited FSA to be used for dental and vision expenses while enrolled in an HSA.
- You may not open an HSA if there is any balance in your FSA.

If I leave my employer, what happens to the HSA?

- The HSA is owned by the member, not the employer, and is taken with the employee when they leave.
- The HSA may be used for COBRA expenses for a terminating member.
- The HSA may be used for any covered medical expense (copays, deductible, etc.) on the new employer's plan.
- The HSA may be used to pay for some Medicare coverage.
- After age 65, you may withdraw the funds to pay for any non-qualified expense with no tax penalty.

Does the HSA expire at the end of the year?

The HSA has no time limit and is not "use it or lose it".