



About Health Savings Accounts

A Health Savings Account (HSA) from Premera

MAKES PAYING FOR HEALTHCARE EXPENSES EASY.

Premera Blue Cross is committed to simplifying your experience when it comes to HSAs and other personal funding accounts. We aim to make it easy to manage your healthcare costs so you can save time and be reimbursed faster.

What is an HSA?

A Health Savings Account (HSA) is an account that you own to build savings for current and future qualified healthcare expenses. Before you can open an HSA, you must first be covered by a qualified high-deductible health plan.

Benefits of an HSA

Triple tax savings—

1. Contributions are not taxed.
2. Funds can be withdrawn tax-free when used to pay for qualified healthcare expenses.
3. Unused funds rollover from year to year and may grow tax-deferred.

Interest and investment options—Your HSA may earn interest, and you will have the option to invest in mutual fund families once you meet the minimum balance.

Retirement healthcare costs—Along with qualified healthcare expenses you have today, you can save your HSA funds for certain future healthcare expenses like those you may incur during retirement.

Portable—The HSA account is a real bank account that stays with you when you change jobs, switch health plans or retire.

Who is eligible to open an HSA?

You are eligible to open an HSA if you meet the following requirements:

- You must be covered by a qualified high-deductible health plan.
- You must **not** be claimed as a tax dependent on another person's taxes.
- You must **not** be enrolled in Medicare.
- You must **not** be covered by your own or a spouse's general Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA) or any other non HSA-qualified health plan.
- You have **not** received any Veteran's Administration health benefits in the last three months.

How to open an HSA

1. Choose a health plan

You must be covered by an HSA-qualified high-deductible health plan. Check with your Human Resources department for more information about the Premera HSA-qualified high-deductible health plan available to you.

2. Open an HSA bank account

- a. If your employer contributes funds to your HSA and chooses UMB Bank n.a., your account will be opened automatically. UMB Bank is an independent financial institution contracted by Premera to administer HSAs for its members.
- b. If your employer does not contribute funds to your HSA, you can easily open your HSA with UMB Bank or through a financial company permitted to be an HSA trustee or custodian.

How an HSA works

There are several things to know about an HSA:

- **Contributions—**Your employer may choose to contribute to your HSA. You may also contribute to your HSA, up to the IRS limit.
- **Invest your HSA funds—**When you open your HSA through UMB Bank or another financial institution, you may have the option to invest in mutual fund families once your HSA meets the minimum balance required.
- **Choose how to spend your HSA funds—**You decide and control how to spend your HSA funds on healthcare expenses. These expenses—incurred by you, your spouse and eligible dependents—usually include:
 - a. medical, dental and vision care services
 - b. deductibles, copays and coinsurance
 - c. prescriptions and some over-the-counter medications
 - d. any eligible healthcare expenses not covered by your health plan

Manage Your HSA Online

Find out all you need to know about your account anytime by going online. Log in at **premera.com**. Click on Personal Funding Account to:

- Learn more about using and contributing to your HSA
- Check your account balance
- Request a reimbursement
- Set up direct deposit
- View messages and alerts about your account

Using your HSA

It's easy to use your HSA to pay for qualified healthcare expenses.

- **Present your Premera member ID card first—**Doing so will ensure you receive your health plan discount and your charges are properly processed.
- **Use your healthcare payment card—**Since it's a prepaid card, this is the easiest way to pay for qualified healthcare expenses at approved merchants or providers.
- **Use another form of payment and request reimbursement—**Pay with your own credit card, cash or check. Then log in at **premera.com**, click on **Personal Funding Account** to access your HSA and file for reimbursement.
- **Keep your itemized receipts as documentation—**You are responsible for keeping your receipts in case they are needed for tax purposes.

Frequently Asked Questions

HSA

Can I have both an HSA and FSA (Flexible Spending Account)?

You can have both if your employer offers a limited purpose FSA (limited to dental or vision expenses) or a special purpose FSA (pays for medical expenses after the health plan deductible is met). A general FSA will make you ineligible for an HSA.

Do I need to keep my receipts?

Yes, you should keep your itemized receipts in case they are needed for tax purposes.

What happens if I use my HSA for an ineligible expense?

If you use your HSA to pay for an ineligible expense, you may be required to pay income and penalty taxes.

How will I receive my reimbursements?

When you don't use your healthcare payment card, you'll receive reimbursements by direct deposit or check. For quicker reimbursements, sign up for direct deposit from your online account. Reimbursement checks will be issued by ConnectYourCare, an independent company responsible for administering HSA claim reimbursements for Premera.

What if I have an HSA and later become ineligible?

If you become ineligible, you can still receive distributions from your HSA. However, you will not be able to put additional money into your HSA.

HEALTHCARE PAYMENT CARD

Is the healthcare payment card a regular debit card?

No, your healthcare payment card is a prepaid card. Some merchants may require a personal identification number, or PIN, to use this card. To request a PIN, call 888.999.0121. To use this card without a PIN, select "credit" at the payment terminal.

Where can I use my healthcare payment card?

Your healthcare payment card can be used nationwide at qualified merchants. These may include pharmacies, doctors' offices, vision centers, and hospitals. Visit **premera.com/merchants** for a current list of qualified merchants.

Do I need to keep my receipts when I use my card?

You may need them for tax purposes, therefore always save your itemized receipts.

This material is not intended to be tax or legal advice. The reader should consult with his or her own tax advisor to determine the tax implications of purchasing the products discussed herein.

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