Health Savings Accounts – Frequently Asked Questions

1) What is a Health Savings Account?
A tax-sheltered savings account similar to an IRA but created primarily to pay for medical expenses. If you sign up for this benefit, both you and Georgia Regents Medical Center contribute to your Health Savings Account (HSA) on a pre-tax basis. When you incur eligible medical, prescription, dental and vision expenses, you may use your HSA dollars to pay your out of pocket costs. Dollars deposited in an HSA do not expire and roll over from year to year, or, from employer to employer. To qualify for an HSA, you must participate in a qualified High Deductible Health Plan (HDHP), also known as a Consumer Driven Health Plan (CDHP), “High Deductible Health Plan (HDHP).” See www.irs.gov, Publication 969 for more details.

2) What expenses are eligible to be paid from my HSA?
IRS guidelines specify which expenses can be paid using your HSA. Please visit www.umr.com for a sample list of eligible/ineligible expenses. In general, qualified medical expenses from your HSA include the following:
- Member responsibility amounts, such as co-pays, deductibles and coinsurance
- Eligible expenses that are not reimbursable under another health plan
- Over-the-counter (OTC) medicines and drugs are eligible with a prescription
- Dental care or vision care services

3) How do I access my HSA dollars?
You can access your HSA dollars directly through Bank of America. Bank of America has more than one possible method for withdrawal – such as debit cards or reimbursement (with proof of receipt). You can withdraw money from your HSA much like you would with a typical checking or savings account.

4) I am currently enrolled in Tricare and I have an HSA. Can I use the HSA?
You cannot elect an HSA if you are currently enrolled in Tricare or Medicare. You should consult an accountant for advice on how to handle your HSA. If you had an HSA before you enrolled in Tricare or Medicare, you are able to continue to use the dollars in the account, however, you cannot add more dollars to the account, nor, can you add a new account.

5) My spouse currently has an HSA through their employer. Can I also have one through GRMC?
Yes, you both can have individual HSA's. You cannot combine these into one account; each of you must keep your own individual HSA (in your own name) but each of you can access the funds in each other's account. Also, you cannot use both accounts to reimburse for one incident (no double-dipping).

6) Some of my children are not included on my medical plan. Can I still use HSA funds for their qualified medical, pharmacy, vision and dental expenses?
Yes, as long as the individuals are indicated as dependents on your tax return(s). Your spouse can also use your HSA funds whether or not they are enrolled in any of your benefit plans.

A qualifying child is a child who:
1. Is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, sister, stepbrother, stepsister, half brother, half sister, grandchild, niece, or nephew,
2. Was:
   a. Under age 19 at the end of the tax year and younger than you (or your spouse, if filing jointly),
   b. Under age 24 at the end of the tax year, a full-time student, and younger than you (or your spouse, if filing jointly), or
   c. Any age and permanently and totally disabled,
3. Lived with you for more than half of the tax year,
4. Did not provide over half of his or her own support for the tax year, and
5. Did not file a joint return, other than to claim a refund.

7) If my spouse has Medicare, can I have an HSA?
Yes, as long as you meet the account eligibility requirements.

8) Is there a maximum amount or cap on what I can carry over from year to year?
No, there is only a maximum amount you can contribute each year. You can carry over all dollars left in your account from year to year.

9) Is there a time limit on submitting claims to Bank of America for qualified expenses?
No, just make sure and save all your receipts (if you don't already). For example, you can save up to 10 years of receipts for qualified expenses and then submit them to Bank of America to reimburse from your HSA account.

10) When I obtain a debit card from Bank of America when I elect to have an HSA, I understand the debit card will have my name on it. Can I get cards for other members in my family to use (in their own names?)
Yes, you can order more debit cards through Bank of America's website and request that another person's name be on there (for example: your spouse or child to use at the dentist or your child's caretaker to use when taking your child to the physician)

11) Am I required to keep receipts of all purchases I make for qualified expenses?
You should always keep all receipts. For reimbursement purposes you will need to show proof of purchase, or, for tax purposes (in case of an audit) you have proof that the expenses were truly qualified expenses.

12) What if I pay out-of-pocket for qualified expenses before the funds are in my HSA?
You will need to "file a claim" online with Bank of America after the funds are in your account. You would do this for any instance where you could not use your debit card at the time of purchase (for example, if you leave your debit card at home before you went to purchase your prescription contact lenses).

What if a qualified expense that I want to pay for is $100 and I only have $75 in my HSA?
Your HSA will pay $75 out of the $100 at the point of service and you will have to pay the remainder. However, you can request reimbursement once your account has dollars added to it.

13) If I currently have an FSA with Bank of America but I elect the Choice Plan (HDHP) and start an HSA, will my sign-on and password be the same?
   Yes

14) Does Georgia Regents Medical Center reward me for wellness?
   Yes. If you are enrolling in the Choice medical plan, Georgia Regents Medical Center will give you an opportunity to earn an additional $500 per year in HSA dollars.

15) When can I start earning GRU Healthy You Incentives?
   Human Resources, Employee Health & Wellness office will provide specific incentives for 2014 as well as a schedule to join the program. This information will be presented in a separate newsletter.

16) When can I get more information about how the wellness activities will work?
   A packet of information may be obtained in Employee Health at the beginning of the year. The packet will continue additional information about each activity, the requirements for proof of completion, etc.

17) Can family members who are enrolled in my medical plan "help" me earn some of the GRU Healthy You Wellness Incentives?
   Not at this time. Only the employee in the Choice plan can earn incentive dollars in to their HSA from GRMC.

18) When will the amount that GRMC contributes towards my HSA show on my paycheck?
   The contribution made by GRMC will be submitted to Bank of America after your first paycheck runs. The amount will show on your paycheck as a contribution into your HSA account. Check your account with Bank of America to ensure employer funds have been added. This can take up to two weeks from the date you receive your paycheck.

19) Can I make contributions to my HSA from my own money (in other words, can I add to the amount that is already taken out of my paycheck)?
   You can, but it is best to contribute directly from your pay in order to get the tax-free advantage. Plus, you don’t want to over contribute because those funds will have to be returned to you.

20) Can I use my HSA funds to pay Cobra premiums, and are there other times I can use my HSA funds other than the out of pocket costs for my health, pharmacy, dental and vision expenses?
   Yes – you can use your HSA account dollars for health coverage while receiving unemployment benefits, eligible long-term care policy premiums; COBRA continuation coverage and Medicare premiums and out-of-pocket expenses.

21) If I have a qualified expense due, can I get Bank of America to pay this directly?
   Yes, you can request Bank of America to cut a check and pay any qualified expense directly. You can do this online.
22) Are bank fees associated with HSA’s?
Yes, but these are paid by GRMC.

23) What is the link for Bank of America’s HSA site?

24) Does my HSA earn interest?
Yes, there are several tiers:
$0 - $2,500 0.10% interest rate
$2,500.01 - $10,000 0.20% interest rate
$10,000.01 and higher 0.30% interest rate
There are approximately 23 different accounts you can choose to place your funds in to invest.

25) At what age can you take money out of your HSA and not pay penalties?
There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.

26) If I don’t elect a medical plan through GRMC, can I still have an HSA?
It depends. You may be eligible to open an HSA if you are not enrolled in Medicare, not receiving military health care benefits, covered by a traditional health care FSA or HRA.

27) Can I change my FSA or HSA contributions during the plan year?
Yes, if you have a change event (family status change event) you may come to the Benefits office within 30 days of the event to modify your contribution. This also applies to other benefits that may warrant a change due to the nature of the event.

28) If my spouse moves from my GRMC health plan and gets their own insurance with their company, can they still use my FSA dollars?
Yes. The funds in your Medical FSA can be used for eligible medical services provided for you, your spouse and/or any of your dependents that you claim on your income tax return. However, if your spouse obtains an FSA under their employers plan, there can be no double-dipping (using both FSA’s to pay for a service/provider).

29) With the Medical Choice plan and the HSA, prior to meeting the deductible, will the visit charge reflect a "contracted" price or will it be the providers’ actual charge for services?
It may reflect a contracted price if the provider is in our Domestic network or UHC Options PPO network.

30) What happens if I make a distribution or use my HSA funds for non-qualified purposes?
If a withdrawal is made from an HSA to pay for items other than qualified medical expenses, the IRS may impose a 10% excise tax. Certain exclusions apply. (For example, this 10% excise tax may not apply if the person is over 65, or if a distribution has been taken as a result of death or disability. You should consult with your personal tax advisor.)

Additional tax. There is an additional 20% tax on the part of your distributions not used for qualified medical expenses. Figure the tax on Form 8889 and file it with your Form 1040 or
Form 1040NR. Report the additional tax in the total on Form 1040, line 60, or Form 1040NR, line 59, and enter “HSA” and the amount on the dotted line next to that line.

**Exceptions.** There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.

**From - IRS Pub 969 -**  

31) **How can I find out what expenses are not considered eligible expenses?**  
Go to the Bank of America website by typing bankofamerica.com/benefitslogin in your browser, then look under **Tools and Resources.**

32) **What happens to my HSA dollars if I leave employment here?**  
You can continue to use the funds in your account.