



Answers to your HSA questions

You asked.

We listened.

Here's the lowdown.

HSA* Q and A



Got more HSA questions than HSA answers?

You're not alone. Health Savings Accounts (HSAs) are different than typical health plans. So if you've got questions about the Anthem Blue Cross and Blue Shield (Anthem) HSA, that's OK. The good news: here are 20 of the most common HSA questions and their plain English answers. So whether you're considering the Anthem HSA, or you've signed up for it already, we can help explain how it works.



1. What's an HSA?

Think of an HSA as a savings account for your health. That's because you use the money in this account to pay for your routine medical care (prescriptions, doctor visits, etc.). So how does money get into your account? You fund it with your pretax contributions and, often, your employer contributes, too. The HSA plan also includes a health coverage component, like a preferred provider organization (PPO) plan, which helps protect you against large expenses.

2. What are the advantages to an HSA?

Enjoy tax savings. The dollars you contribute to your HSA are pretax dollars, so you lower your taxes while paying for covered medical services.

Save dollars you don't use this year and use them to help reduce out-of-pocket expenses you might have in future years — even in retirement.

Take it with you. The money is yours — take your unused balances when you retire or if you leave your employer.

Convenience. The bank that holds your account will provide you with a checkbook and, in some cases, a debit card, to pay for covered expenses.

Ease of use. You choose how much to contribute to your account, how much to spend on qualified medical expenses and which expenses to pay from the account.

Investment growth. The account earns interest, so you're making money without even trying.

3. What's an HSA-compatible high-deductible health plan (HDHP)?

An HSA-compatible high deductible health plan is similar to the traditional type of health plan you're familiar with. Like a PPO plan, it offers the broad coverage and generous benefits you need. However, before these benefits kick in, you're responsible for a specific out-of-pocket amount, called a deductible.

4. Can I use the money in my HSA toward the deductible?

Yes.

HOW THE ANTHEM HSA WORKS

Health Savings Account (HSA)

Pays for 100% of the cost of covered services when funds are available.

Use the Health Savings Account (HSA) first to pay for routine health expenses. Funded with pre-tax dollars. Any unused dollars will accumulate tax-free through retirement.

Preventive Care

100% coverage with no deductions from your HSA

Plus, get free preventive care. For nationally recommended services.

Out-of-pocket Responsibility

Traditional Health Coverage (PPO)

Use the Traditional Health Coverage, if you need it. After paying a limited out-of-pocket responsibility, you have additional protection to cover the majority of the cost of your health care expenses.

5. *What are the advantages of the health plan that Anthem pairs with their HSA?*

Broad coverage for a wide variety of services, including preventive care.

Many doctors and hospitals to choose from. You'll receive the highest level of coverage (and usually pay the least) when you receive services from one of the doctors or hospitals in our large network.

Freedom to see a doctor or hospital outside Anthem's network. But remember, you'll have a lower level of coverage (and usually pay more) when you go outside the network.

Lower premiums than many typical health plans.

Decision-support tools and other online resources designed to help you make the best choices about your health care.

6. *I keep hearing about "qualified medical expenses." What are they?*

You hear a lot about these when you have an HSA because when you withdraw money from your account to pay for qualified medical expenses, your withdrawals are not taxed. Qualified medical expenses are primarily used for the prevention or alleviation of a physical or mental problem or illness. In general, this includes the same services covered by your health plan. It also includes amounts toward:

- The deductible and coinsurance.
- Glasses.
- Dental services.
- Prescription and nonprescription drugs.
- Certain services not covered by your health insurance plan.
- Qualified long-term care premiums.
- COBRA premiums.
- Medicare expenses (not including Medigap coverage).
- Your share of the state-sponsored retiree health insurance charges.
- Health coverage during times of unemployment.

7. *How do I contribute to my HSA?*

You can contribute to your HSA on a pretax basis through payroll deduction. You can also mail additional amounts to the financial institution that sets up your account. These additional amounts are on a post-tax basis and are tax-deductible.

8. *What's the maximum amount I can contribute to my HSA?*

Effective January 1, 2016, the annual contribution maximum for an individual with single coverage is \$3,350 and for an individual with family coverage the limit is \$6,750. There has been no change to the \$1,000 annual catch-up contribution for individuals 55 or over.



9. Who can contribute to my HSA?

Almost anyone can contribute to your HSA. This includes you, your family members, friends and your employer, to name just a few.

10. How do I know if an HSA is a good fit for me?

Choosing a health plan is a very personal decision and one that should be made carefully. The good news about the Anthem HSA is that it can be a good choice for many different people. Check out the stories below to see what we mean.

John is 37 years old and has very few medical expenses. In fact, his last trip to the doctor was for routine preventive care, which was covered by his HDHP. As a result, he has spent very little from his HSA. After just a couple of years, he's been able to save a nice little nest egg for his future health care expenses.

The Allen family has had quite a year. Their son dislocated his shoulder, their daughter had 17 stitches in her arm, and dad had an ulcer. They used the funds in their HSA to help pay for these unexpected events, and their HDHP helped cover the rest. They also went to anthem.com to find information on reducing stress, so dad doesn't get another ulcer.

Ellen has asthma. She wasn't always able to control it. But with some help from an asthma program offered by Anthem, she's been able to manage her condition. She now has fewer unexpected asthma events. Her HSA helps her pay for her medical expenses, including her prescription inhalers.

11. How do I use the funds in my HSA?

The bank that holds your account will provide you with a checkbook and, in some cases, a debit card, to pay for covered expenses. Simply use this card when you have a qualified medical expense. This card can also be used at any automatic teller machine (ATM). This is helpful if a medical facility doesn't accept the debit card.

12. When are withdrawals subject to taxes?

Whenever you withdraw money from your HSA to pay for something that is not a qualified medical expense, that withdrawal will be taxed and may be subject to a 20% penalty.

13. If I have an HSA, should I keep my receipts for medical expenses?

Yes, in case of an IRS audit, you will want to have all of your receipts and your *Explanation of Benefits* (EOB) statements.

Nine free tools for

ANTHEM HSA owners:

- **Debit card** — Makes accessing and tracking the funds in your HSA easy and convenient.
- **MyAnthem™** — Manage your benefits online. View claims, order a new ID card, view benefits and more.
- **Healthcare Advisor®** — Find the best treatment option and hospital, based on your specific preferences.
- **Treatment Cost Advisor®** — Estimate medical costs before you receive care.
- **PharmaAdvisor™** — Compare and evaluate your drug options.
- **Anthem.com** — Access a wealth of health information and tools.
- **SpecialOffers@AnthemSM** — Save money on products and services that can help you maintain an active, healthy lifestyle.
- **Online provider directories** — Search for a network doctor or hospital by name, specialty or location. This is your most up-to-date list.
- **Online pharmacy services** — Search the formulary, refill a home delivery prescription, find a pharmacy and more.



14. Am I eligible for the Anthem HSA?

You're eligible for the Anthem HSA if you:

- Enroll in Anthem's HSA-compatible HDHP.
- Are not yet entitled to Medicare benefits. In general, this means you're not age 65 yet.
- Are not claimed as a dependent on another person's tax return.

15. How do I sign up in the Anthem HSA?

Signing up is easy. You simply complete an application for your Anthem HSA-compatible HDHP. Then, you complete another form to set up your savings account.

16. Can I sign up in the HSA-compatible HDHP and not the savings account?

Yes, you may sign up in an HSA-compatible HDHP without opening an HSA. However, you will enjoy more savings when you open an HSA, too.

17. Conversely, can I open an HSA without signing up in the HSA-compatible HDHP?

This is where it can get tricky. That's because while you can have an HSA-compatible HDHP without an HSA, you cannot open or contribute to an HSA if you are not signed up in an HSA-compatible HDHP. However, once you've opened the account, it belongs to you. Therefore, in the future, you can continue to use the funds in the account to pay for eligible medical expenses, even if you don't have an HSA-compatible HDHP.

18. What happens once I qualify for Medicare benefits?

Once you're entitled to Medicare benefits, you cannot make additional contributions to your HSA. However, you can continue to use the funds in the account to pay for eligible medical expenses and certain insurance premiums.

19. What if I have a question about my HSA-compatible HDHP?

If you're currently signed up and have a question about your HSA-compatible HDHP, go to [anthem.com](https://www.anthem.com) or call the phone number on the back of your Anthem ID card.

20. Where can I find out more information about HSAs?

If you already have an HSA, contact the financial institution that opened the account or consult your financial advisor. Or if you're still considering an HSA and want more general information, check out the United States Department of Treasury website at: [treas.gov/offices/public-affairs/hsa](https://www.treas.gov/offices/public-affairs/hsa).



If you're not currently signed up for in an HSA-compatible HDHP and are interested in taking more control of your health care decisions, consider signing up for Anthem HSA. For more information, go to [anthem.com](https://www.anthem.com) or talk with your benefit administrator.

For more information, please visit [anthem.com](https://www.anthem.com).



The information included does not constitute legal, tax, or benefit plan design advice. Anthem strongly encourages consultation with a tax advisor before establishing a Health Savings Account.

In Indiana, Kentucky and Ohio, Blue Access for Health Savings Accounts HDHP only. In Missouri, Blue Access and Blue Access Choice for Health Savings Accounts HDHP only. In Wisconsin, Blue Access and Blue Preferred Plus for Health Savings Accounts HDHP only. Not to be used with Lumenos.

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensee of the Blue Cross and Blue Shield Association. ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.