

Sentara Health Plans HDHP

With Health Savings Account (HSA)

1. What is a Health Savings Account (HSA)?

An 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 HDHP?

The Internal Revenue Service (IRS) defines HDHPs as plans with a deductible of at least \$1,650 for an individual, or \$3,300 for a family in 2025. HDHPs tend to have higher deductibles than traditional health plans, which often results in a lower monthly premium. Your HDHP can be combined with an HSA allowing you to pay your qualified medical expenses, tax free.

3. Who is eligible to open an HSA?

Anyone who is enrolled in a qualified HDHP, is not covered by other health insurance, not enrolled in Medicare, not enrolled in TriCare, has not accessed VA medical benefits for non-service issues in the past 90 days, is not enrolled in a Flexible Spending Account (unless a Limited FSA for vision and dental only), and cannot be claimed as a dependent on someone else's tax return*.

**HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.*

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 2025, HSA holders can contribute up to \$4,300 for individual or \$8,550 for family coverage.

HSA holders age 55 or older may also make an additional contribution of \$1,000 per year (totaling \$5,300 for individual or \$9,550 for family coverage). These maximums are established by the IRS and are subject to change every year.

In addition, an amount has been predetermined by the health plan carrier (Sentara Health Plans) and the U.S. Office of Personnel Management (OPM) as the "premium pass through." Sentara Health Plans will contribute \$1,000 per Self Only employee, or \$2,000 per Self Plus One or Self Plus Family for the plan year. These amounts will be deposited the month after premiums are paid. Please see the FEHB Brochure available at sentarahealthplans.com/federal for additional details.

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.

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

An HSA can be used to pay for qualified medical expenses as defined by the IRS. Qualified medical expenses include, but are not limited to: copayments, deductibles, coinsurance, vision care, and dental care. For a more comprehensive list of qualified medical expenses, please refer to healthequity.com/hsa-qme.

Commonwealth of Virginia (COVA) and the Local Choice (TLC) employees

8. What are the benefits of selecting Sentara Health Plans HDHP with HSA, the integrated HSA plan that Sentara Health Plans offers?

After choosing Sentara Health Plans HDHP with HSA, 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®, administers the financial portion of the account. By signing in at sentarahealthplans.com/federal, then selecting "Health Savings Account," members have access to the following features all on one platform—the HealthEquity member portal:

- View medical claims
- Pay providers
- Store claims information to validate expenses
- View account balances

9. What are the benefits of opening an HSA?

HSAs and qualified high-deductible health plans offer an option to save for retirement and pay for medical expenses. In order to determine if an HSA is right for you, compare your various benefit options and evaluate them.

10. How can I use my HSA through Sentara Health Plans HDHP with HSA to pay for eligible services?

Account holders can make payments by debit card, online electronic funds transfer (EFT), or by phone. The HealthEquity portal enables members to manage their account information, see account balances, request reimbursements, or make payments from the account directly to providers.

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

Experienced HealthEquity member service representatives are available 24/7 at **1-866-346-5800** 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 account holder. 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. However, if you become a Federal Annuitant and are enrolled in Medicare (even Part A), you will need to become enrolled in a Health Reimbursement Arrangement (HRA). Please see the FEHB Brochure available at sentarahealthplans.com/federal for further information.

12. Can HSA funds be distributed 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% penalty. Once the member reaches age 65 the funds can be used for non-qualified expenses, but distributed 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.

Commonwealth of Virginia (COVA) and the Local Choice (TLC) employees

16. Can HSA funds be invested?

Yes, once a \$1,000 account balance is achieved, the first dollar above this amount can be invested. The money deposited into your HSA can earn interest and 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 and preventive benefits*?

No, wellness or preventive benefits are paid by Sentara Health Plans and are not subject to the HDHP deductible. Most preventive services are covered at 100% of the contracted provider rate.

**As defined under the Affordable Care Act (ACA).*

18. What happens after I open an HSA with my Sentara Health Plans HDHP with HSA plan?

The member account holder will receive the following items from HealthEquity:

- An HSA member welcome letter, which lists all of the features of the HSA, including the HealthEquity member services contact information
- A member guide providing the account holder with information on how to navigate their HealthEquity member portal and manage their HSA
- A Visa® debit card with activation sticker and card carrier
- A PIN mailer, sent separately, which contains their debit card Personal Identification Number

- A custodial account agreement for their records
- An HSA interest rate schedule

19. How do I access my HSA account?

Sign in to your secure member account at **sentarahealthplans.com/federal**. Select “Health Savings Account” from your menu options to navigate to your HealthEquity member portal. If you are registering at **sentarahealthplans.com/federal** for the first time, you will need your member number from your Sentara Health Plans member ID card to create a username and password.

20. Where can I get information on investment funds?

You can access investment fund information from your HealthEquity member portal accessed through your secure member account at **sentarahealthplans.com/federal**.

This page is intended to be an overview of the Sentara HSA health plans integrated with HealthEquity HSA offered to employer groups. Sentara Health Plans is a trade name of Sentara Health Plans, Sentara Health Insurance Company, Sentara Health Administration, Inc., and Sentara Behavioral Health Services, Inc. Sentara HSA PPO plans are underwritten by Sentara Health Insurance Company. Sentara Health Plans underwrites Sentara HSA HMO, POS, and mandated point of service plans. Self-funded group health plans are administered but not underwritten by Sentara Health Administration, Inc. All plans have benefits exclusions, limitations, and terms under which the plan may be continued in force or discontinued. For costs and complete details of coverage, please call your broker or sign in at sentarahealthplans.com. Employers and employees should consider consulting with a tax advisor when setting up or using an HSA.