

Optima Health HDHP with Health Savings Account (HSA)

Frequently Asked Questions

1. What is a health savings account?

A health savings account (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 high-deductible health plan?

The Internal Revenue Service (IRS) defines HDHPs as plans with a deductible of at least \$1,500 for an individual, or \$3,000 for a family. 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.

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 2023, HSA holders can contribute up to \$3,850 for individual coverage, or \$7,750 for family coverage. HSA holders age 55 or older may also make an additional contribution of \$1,000 per year (for a total of \$4,850 for individual coverage or \$8,750 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 (Optima Health) and the U.S. Office of Personnel Management (OPM) as the "premium pass through." Optima Health will contribute \$900 per Self Only employee, or \$1,800 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 optimahealth.com/federal for additional details.

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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 list of qualified medical expenses, please refer to IRS Publication 502 at www.irs.gov.

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

After choosing Optima Health 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.

The integrated Optima Health HDHP with HSA solution offers members a simpler experience. By signing in at optimahealth.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 based on your financial and health situation.

10. How can I use my HSA through Optima Health 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 PayChoice® platform 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.

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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, or HRA. Please see the FEHB Brochure available at optimahealth.com/federal for further information.

12. Can HSA funds be withdrawn 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 withdrawals 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.

16. Can HSA funds be invested?

Yes, once a \$2,000 account balance is achieved, the first dollar above this amount can be invested. The money deposited into your HSA can earn interest or 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 Optima Health 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).

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18. What happens after I open an HSA with my Optima Health 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
- the PIN mailer, sent separately, which contains their debit card Personal Identification Number.
- 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 optimahealth.com/federal. Select “Health Savings Account” from your menu options to navigate to your HealthEquity member portal.

If you are registering at optimahealth.com/federal for the first time, you will need your member number from your Optima Health 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 optimahealth.com/federal.