Sentara Health Plans HDHP With Health Savings Account (HSA)

Frequently Asked Questions

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

   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 (HDHP)?**

   The Internal Revenue Service (IRS) defines HDHPs as plans with a deductible of at least $1,750 for an individual, or $3,500 for a family in 2027. HDHPs tend to have higher deductibles than traditional health plans, which often result in a lower monthly premium. Your HDHP can be combined with an HSA, allowing you to pay your qualified medical expenses, tax free. Sentara HSA Plans are Sentara Health Plans HSA-compatible plans.

3. **Who is eligible to open an HSA?**

   People enrolled in a qualified HDHP, aren't covered by other health insurance or another spending account like a Flexible Savings Account (FSA) or a Health Reimbursement Arrangement (HRA), not enrolled in Medicare, and can't be claimed as a dependent on someone else's tax return.

4. **Who can contribute to an HSA?**

   The member or their employer can fund HSAs with tax-free dollars. 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 rule.

5. **How much can be contributed each year?**

   For 2027, contribution limits are $4,500 for individual or $9,000 for family coverage. HSA holders age 55 or older may make an additional contribution of $1,000 per year (totaling $5,500 for individual/$10,000 for family). For 2026, the limits were $4,400 for individual or $8,750 for family coverage. These maximums are established by the IRS and are subject to change every year.

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 over time.

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

   An HSA can be used to pay for any qualified medical expense 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**.

Sentara® Health Plans

Sentara Health Plans HDHP With Health Savings Account (HSA)

Frequently Asked Questions

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

After choosing the Sentara HSA benefit plan, the HSA account will be set up automatically during the enrollment process when the member elects to open an account.

Our HSA partner, HealthEquity®, administers the financial portion of the account. The integrated Sentara HSA solution offers members a simple experience.

When you sign in at **sentarahealthplans.com** and select 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 HDHPs offer an option to save for retirement and pay for qualified 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 Sentara HSA to pay for qualified 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.

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 distributions 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.

Sentara® Health Plans

Sentara Health Plans HDHP With Health Savings Account (HSA)

Frequently Asked Questions

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?[1]

The money contributed into your HSA earns interest. Once your account balance reaches $2,000[2], you can invest any funds above that amount[1] to maximize potential growth through investment returns. Your money, including any interest earned, 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?[3]

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.

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[4] with activation sticker and card carrier
- 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**. Select Health Savings Account from your menu options to navigate to your HealthEquity member portal. If you are registering at **sentarahealthplans.com** 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 obtain investment fund information from your HealthEquity member portal accessed through your secure member account at **sentarahealthplans.com**.

Sentara® Health Plans

Sentara Health Plans HDHP With Health Savings Account (HSA)

Frequently Asked Questions

[1] *Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.*

[2] *This amount may be higher or lower depending on your employer. Please check with your employer to confirm.*

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

[4] *This card is issued by The Bancorp Bank, N.A., Member FDIC, pursuant to a license from Visa U.S.A. Inc. Your card can be used everywhere Visa debit cards are accepted for qualified expenses. This card cannot be used at ATMs and you cannot get cash back, and cannot be used at gas stations, restaurants, or other establishments not health related. See Cardholder Agreement for complete usage restrictions.*

This document is intended to be an overview of the Sentara HSA health plans integrated with HealthEquity HSA offered to employer groups. Sentara Health Plans is the 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.

Sentara® Health Plans

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