

QUESTIONS AND ANSWERS

Managing Your Health Savings Account (HSA), Administered Through Kaiser Permanente

Understanding your HSA

Who is eligible to set up an HSA?

To be eligible for an HSA, you must be enrolled in an HSA-qualified deductible health plan and meet other HSA eligibility rules: For example, you can't be enrolled in most other types of health coverage, including Medicare, and you can't be eligible to be claimed as a dependent on someone else's tax return. For more information, see IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, at irs.gov/publications.

How do I start using my HSA?

After you've enrolled in your HSA, you'll receive a Kaiser Permanente HSA Health Payment Card. You can use your card to pay for qualified medical expenses¹ at any Kaiser Permanente facility or other health care provider, including physician offices, hospitals, and pharmacies. To activate your card, just call the number on the activation sticker.

Before you start using your card to pay for qualified medical expenses, you'll need to set up your HSA online account at kp.org/healthpayment. When logging in, be sure to agree to the terms and conditions as required during the enrollment process.

For more information about using your HSA, call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

What can I use my HSA funds for?

You can use the funds in your HSA to pay for copays, coinsurance, deductible payments, and other qualified medical expenses under your health plan, both for yourself and for your covered dependents. Examples include:

- eyeglasses and Lasik vision correction
- hospital visits
- prescription drugs
- primary and specialty care visits
- noncosmetic dental care
- X-rays and lab tests

You can even use your HSA funds to pay for qualified medical expenses not covered by your health plan. For more information about your benefits, please refer to your *Evidence of Coverage*.

Who can contribute funds to an HSA?

You, your family members, your employer, and anyone else can contribute to your HSA. The same annual limits on the contributions made to your account apply no matter who makes the contributions.

How much can be contributed to my account?

For 2013, annual contributions to an HSA are capped at \$3,250 for individuals and \$6,450 for families. These maximums may be changed for inflation each year. You can contribute to your account until April 15 following the year for which you want to make contributions.

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What is the deadline for setting up an HSA and making contributions?

As long as you're enrolled in an HSA-qualified deductible health plan for the entire month of December and you set up your HSA by December 1 of that calendar year, you can contribute money to your account for that year. To be eligible to contribute the full annual maximum amount to your account, you must remain enrolled in

the HSA-qualified deductible health plan for a full 13 months. Otherwise, you'll only be able to contribute a prorated portion of the annual maximum amount.

Are there any administrative fees associated with my HSA?

Yes. We'll charge a member administrative fee of \$3.25 per month, which will be deducted automatically from your HSA.

How do I use my HSA to pay for qualified medical expenses?

There are a couple of ways to pay for your qualified medical expenses with your HSA:

Debit card

You can use your Kaiser Permanente Health Payment Card as a debit card either

- when you get care, or
- by writing your card number on your bill and sending it in.

Reimbursement

Pay out of pocket using your own funds and get reimbursed later by filing a claim at kp.org/healthpayment or by calling our Kaiser Permanente Health Payment Services line at **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

How can I track the balance in my HSA or access other account information?

You can access account information online 24 hours a day, seven days a week, at kp.org/healthpayment. You'll be able to view your account balance and information, process transactions, download forms, and see a list of

qualified medical expenses. You can also call us at **1-877-761-3399** to speak to a customer service representative, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

If you'd like to receive paper statements, you'll need to request these and will be charged \$1.25 per month.

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Your Kaiser Permanente Health Payment Card

Your HSA comes with our debit card—the Kaiser Permanente Health Payment Card—which you can use to pay for qualified medical expenses.¹ You should receive your card in the mail by the start of your plan year.

Where can I use my Health Payment Card?

You can use your Health Payment Card at Kaiser Permanente facilities and pharmacies. You can also use it at any other provider or facility that accepts Visa debit cards. However, HSA funds can be used only for qualified medical expenses.

What if my Health Payment Card isn't accepted by a health care provider or facility?

If you have trouble using your card it may be because it hasn't been activated, or the provider or facility doesn't accept Visa debit cards.

If your Health Payment Card isn't accepted, you'll need to pay the entire amount out of pocket using another payment method.

You can then request reimbursement for that payment by:

- logging on to kp.org/healthpayment, or
- calling **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

What if I use my Health Payment Card to pay for expenses that aren't considered qualified medical expenses?

Neither the Internal Revenue Service nor the U.S. Treasury put any requirements on the HSA administrator to keep track of an account holder's expenses. That means we don't restrict HSA card usage only to qualified medical expenses.

As an HSA holder, you'll be responsible for determining whether an expense is a qualified medical expense under the tax laws.² If you use your card for nonqualified expenses, taxes will apply. A 20 percent penalty on the amount withdrawn will also apply, unless you're disabled or 65 or older.

Can I use my Health Payment Card to pay Kaiser Permanente bills that I receive in the mail?

If you receive a bill from Kaiser Permanente and wish to pay it using funds from your HSA, write your Kaiser Permanente Health Payment Card number in the payment section of the bill and mail it to the address that appears on your bill.

How do I order additional Health Payment Cards?

If you need additional Health Payment Cards, you can order them online or by phone. You'll receive two cards by the start of your plan date, and can order an additional two cards at no charge. After this, you'll be charged \$10 for any additional cards you wish to order. Log on to kp.org/healthpayment or call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

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¹To view the list of qualified medical expenses defined under Internal Revenue Code Section 213(d), download IRS Publication 502, Medical and Dental Expenses, at irs.gov/publications.

²The tax references in this document relate to federal income tax only. Federal and state tax laws and regulations are subject to change. Consult with a qualified professional for tax, investment, or legal advice.

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