High Deductible Health Plan (HDHP) and Health Savings Account (HSA)
Frequently Asked Questions
CY2016

High Deductible Health Plan

1. **What is a deductible?**
   A. A deductible is a fixed amount of money that must be paid before the HDHP plan begins to pay for health care expenses. The only exception is preventive care, because the plan will pay 100% for those services when received in-network, without requiring you to pay the deductible.

2. **What is the amount of the deductible that I have to meet under the HDHP?**
   A. If you are enrolled in individual coverage (covering just yourself), you must meet a $1,500 calendar year deductible for in-network services you receive and a separate $1,500 calendar year deductible for out-of-network services you receive. If you are enrolled in family coverage (covering at least one other person in addition to yourself), then you must meet a $3,000 calendar year deductible for in-network services received and a separate $3,000 calendar year deductible for out-of-network services received.

3. If I am enrolled in family coverage and only one family member is utilizing the plan benefits, does that family member have to meet the $1,500 individual deductible or the $3,000 family deductible?
   A. Even if only one member of your family is utilizing the plan benefits, the $3,000 family deductible must be met before the plan begins to pay for non-preventive health care expenses.

4. **What types of expenses apply toward the deductible?**
   A. Covered non-preventive medical expenses, such as charges for doctors office visits, inpatient or outpatient hospital services, diagnostic tests, and covered prescription drug expenses apply toward the deductible.

5. **How do I satisfy the deductible?**
   A. When you receive medical services, be sure to present your UnitedHealthcare ID card to your medical provider. The medical provider will file a claim with UnitedHealthcare (UHC), and 100% of the approved charges for the medical service will be applied toward your HDHP deductible. You will then receive a bill from your provider for the amount that was applied toward your deductible. Be sure to compare the bill with the UHC Explanation of Benefits (EOB) to ensure you are being billed for the correct amount by the provider. When you get a prescription filled for a medication, using your Express Scripts ID card at a retail pharmacy or through the Express Scripts mail-order program, you will be required to pay 100% of the plan cost for your medication. That amount will then be applied toward your HDHP deductible.

6. **How do I get a copy of the EOBs from UnitedHealthcare?**
   A. You can download a copy of the EOBs for your health care claims from your personal account on www.myuhc.com. If you have never registered on that website, you will first need to do so by entering your Social Security Number and Washington University’s
(WUSTL’s) UHC Group Number (#702111). Once you are logged on to your personal account on myuhc.com, select “Manage My Claims”.

7. If I am enrolled in family coverage and my family receives medical services from both in-network and out-of-network providers, will I have to satisfy just one $3,000 calendar year deductible?
A. No. There is a separate $3,000 deductible for in-network services and a separate $3,000 deductible for out-of-network services. In-network charges do not apply toward the out-of-network deductible, nor do out-of-network charges apply toward the in-network deductible. Your family would potentially have to meet a total of $6,000 in deductible if both in-network and out-of-network providers are utilized.

8. What do I pay after I have satisfied the calendar year deductible?
A. After you have met the calendar year deductible, you will be responsible for paying a 20% co-insurance for medical services (10% for WUDirect© physician office services) and prescription medications received from an in-network provider or a 40% co-insurance for medical services received from an out-of-network provider. This means that you will pay 20% (or 10% for WUDirect© services) of the allowed charges for covered in-network medical services and prescription medications. Out-of-network, you will pay 40% of the allowed charges for covered medical services. (Note: You may also be billed by an out-of-network provider for the difference between the provider’s billed charge and the plan’s allowed charge. This difference will not count toward the HDHP out-of-pocket maximum).

9. Is there a cap on what I am required to pay after satisfying the deductible?
A. Yes. If you are enrolled in individual coverage, the 20% co-insurance you pay after the deductible for in-network services is limited to an out-of-pocket maximum of $1,250 per calendar year. The 40% co-insurance you pay after the deductible for out-of-network services is limited to an out-of-pocket maximum of $2,500 per calendar year. If you are enrolled in family coverage, the co-insurance out-of-pocket maximum is $2,500 per calendar year for in-network services and $5,000 per calendar year for out-of-network services.

10. Do the co-insurance amounts I pay for in-network services apply to the out-of-network out-of-pocket maximum, and vice versa?
A. No. The co-insurance out-of-pocket maximums for in-network services and for out-of-network services are totally separate. There is no cross application under the HDHP of in-network and out-of-network deductibles or co-insurance payments.

11. What would be the most I might possibly have to pay out-of-pocket under the HDHP in any calendar year?
A. The answer depends on whether you are enrolled in individual coverage or family coverage, and also whether the medical services you receive are provided by in-network providers or by both in-network and out-of-network providers. The following chart reflects the total out-of-pocket costs that might apply, taking into account both the deductible and co-insurance out-of-pocket maximum:

<table>
<thead>
<tr>
<th>Individual Coverage</th>
<th>In-Network</th>
<th>Out-of-Network</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>Co-Insurance Maximum</td>
<td>$1,250</td>
<td>$2,500</td>
<td>$3,750</td>
</tr>
<tr>
<td>Total Annual Out-of-Pocket Maximum (incl. deductible)</td>
<td>$2,750</td>
<td>$4,000</td>
<td>$6,750</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>In-Network</td>
<td>Out-of-Network</td>
<td>Total</td>
</tr>
<tr>
<td>-----------------</td>
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<td>--------</td>
</tr>
<tr>
<td>Deductible</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Co-Insurance Maximum</td>
<td>$2,500</td>
<td>$5,000</td>
<td>$7,500</td>
</tr>
<tr>
<td><strong>Total Annual Out-of-Pocket Maximum (incl. deductible)</strong></td>
<td><strong>$5,500</strong></td>
<td><strong>$8,000</strong></td>
<td><strong>$13,500</strong></td>
</tr>
</tbody>
</table>

**Health Savings Account (HSA)**

1. **What is an HSA?**
   A. An HSA is an individually owned, tax-advantaged account that is used to pay for qualified medical expenses either now or in the future. In order to participate in an HSA, you:
   - Must participate in a High Deductible Health Plan (HDHP)
   - Cannot be covered by any other health plan that is not an HDHP
   - Cannot be currently enrolled in Medicare or TRICARE
   - Cannot have received medical benefits through the Department of Veterans Affairs (VA) during the preceding 3 months
   - Cannot be claimed as a dependent on another person’s tax return
   - Cannot have a spouse who is enrolled in a general purpose health care flex spending plan through their employer. (This does not include a limited use flex spending plan.)

2. **What are qualified medical expenses?**
   A. These are medical, dental or vision expenses that the IRS allows to be paid from an HSA without having to pay income taxes. Examples include doctor’s office visits, prescription drugs, dental services, diagnostic lab and x-ray services, vision exams, prescription eye glasses and contact lenses. Even certain health plan premiums, such as COBRA health insurance premiums and qualified long-term care insurance premiums, are considered qualified expenses.

3. **What are the benefits and tax advantages of an HSA?**
   A. Following are some of the benefits and tax advantages of an HSA:
   - Your contributions are made on a pre-tax basis through payroll deduction
   - Your investment earnings grow tax-free
   - Tax-free withdrawals may be made for qualified medical expenses
   - Unused funds and interest are carried over, without limit, from year to year
   - You own your HSA and it is yours to keep – even when you change jobs, change health plans, or retire.

4. **Does the University contribute to my HSA?**
   A. The University will make an annual contribution of $400 to your HSA if you are enrolled in individual coverage under the HDHP and you contribute a minimum annual amount based on your salary. The University will make an annual contribution of $800 if you are enrolled in family coverage under the HDHP and you contribute a minimum annual amount based on your salary. The required minimum annual contribution is $200 if your salary is less than the IRS-defined Highly Compensated Employee Threshold (HCT) for 2016 or $400 if your salary is equal to or more than the HCT for 2016. (The HCT was $120,000 for 2015, but has not yet been set for 2016.)
5. **What is the maximum amount I can contribute to my HSA?**
   A. The maximum annual contribution for 2016 is $3,350 for an individual and $6,750 for a family. The University contribution of $400 will reduce your maximum allowed contribution to $2,950 for an individual, and the University contribution of $800 will reduce your maximum allowed contribution to $5,950 for a family. If you are age 55 or older, you may make up to an additional $1,000 “catch-up” contribution in 2016. These calendar year contribution maximums are established by the IRS.

6. **May I contribute directly to my HSA in addition to what I am contributing through payroll deduction?**
   A. Yes. However, your total contributions are limited to the IRS maximums listed in Question 5 above.

7. **What if my spouse is also covered by an HDHP and has an HSA?**
   A. The two of you together may contribute only up to the $6,750 family limit (plus the $1,000 catch-up contribution if age 55 or older), either to individual HSA’s or to one or the other’s HSA.

8. **May I use the HSA for my spouse or dependents if they are not covered under my health plan?**
   A. Yes, you may.

9. **May I enroll in both an HSA and a health care flexible spending account (FSA)?**
   A. You cannot make contributions to an HSA if you are participating in a “general purpose” FSA that pays or reimburses for qualified medical expenses. However, you may contribute to an HSA if you are also covered under a “limited purpose” FSA that restricts reimbursements to certain “permitted benefits” such as vision, dental or preventive care benefits. Since WUSTL’s FSA is a general purpose FSA, you cannot enroll in both the WUSTL FSA and HSA during the same calendar year. You may, however, enroll in both the dependent care flexible spending account and the HSA at the same time.

10. **If I participated in the health care FSA in 2015 and still have funds remaining in that account as of 1/1/16, can I enroll in the HSA for 2016?**
    A. If you participated in the health care FSA for 2015 and enroll in the HSA for 2016, you must have a $0 balance in your FSA as of December 31, 2015 or your HSA enrollment will be delayed until April 1, 2016.

11. **May I change my HSA contribution at any time during the year?**
    A. You may change your annual HSA contribution election outside of the annual Open Enrollment period only if you experience a qualifying family status change, such as marriage, divorce, birth/adoption of a child, or change in your or your spouse’s employment. To make that change, you would need to complete and submit a benefits enrollment/change form to the Benefits Office by no later than 31 days following the date of the qualifying family status change. The benefits enrollment/change form can be found on the Benefits Forms page of our HR/Benefits websites: [http://hr.wustl.edu](http://hr.wustl.edu) or [http://hr.med.wustl.edu](http://hr.med.wustl.edu).
12. If I enroll in the HDHP and HSA during Open Enrollment, how do I set up my HSA with HSA Bank?
A. Your HSA account will be set up for you automatically at HSA Bank, WUSTL’s HSA Plan custodian. You will receive a welcome letter from HSA Bank providing instructions on how to activate your account.

13. How do I access my HSA funds to pay for my medical and prescription drug expenses?
A. You will receive a healthcare payment card that you can use at the pharmacy, your doctor’s office, or at other health, dental or vision care providers. The other option you have is ConnectYourCare’s on-line and mobile Bill Pay Option, through which you can request a withdrawal from your HSA, payable either to yourself or to your health care provider.

14. May I access my full annual contribution election if necessary?
A. You may only access funds that have actually already been contributed year-to-date to your HSA. The $400 or $800 University contribution will be made to your HSA in January within a couple days following your first 2016 pay date. If your enrollment is delayed until April 1 (see question #10), the University’s contribution will also be delayed until your first pay date in April.

15. If I have an individual HSA outside of Washington University, will the University contribute to my HSA?
A. No. The $400 or $800 University contribution will only be made to the WUSTL-sponsored HSA through HSA Bank.

16. Do I have a tax reporting requirement for the HSA?
A. Yes. IRS form 8889 must be completed with your tax return each year to report total deposits and withdrawals from your account.

17. What happens to the money in my HSA if I am no longer enrolled in the HDHP, or if I leave Washington University?
A. You keep it. If you change to another health plan, retire or otherwise leave Washington University, you may still use your HSA to pay for qualified medical expenses. However, IRS rules will not allow you to deposit additional funds into the HSA if you are not enrolled in a high deductible health plan.

18. Where can I find additional information about the HSA?
A. Additional information on the HSA can be found on the Health Savings Account page of WUSTL’s HR/Benefits websites: http://hr.wustl.edu or http://hr.med.wustl.edu; or on HSA Bank’s website at www.connectyourcare.com. If you have questions, please contact Jennifer Gang at (314) 935-7745 or jennifergang@wustl.edu.

The content found in this communication is not all-inclusive and is not intended to replace the plan documents and/or summary plan descriptions, which can be found on the Human Resources websites at http://hr.wustl.edu and http://hr.med.wustl.edu.