

QUESTIONS AND ANSWERS

Managing your health savings account (HSA), administered through Kaiser Permanente

Introducing a different way to pay for care. When you set up an HSA, you can use tax-free¹ funds to help pay for your qualified medical expenses.²

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](https://www.irs.gov/publications).

▶ How do I set up an HSA?

If your employer offers an HSA administered through Kaiser Permanente, you can choose to set up an account directly through your employer. Contact your employer's benefits administrator for details.

▶ How do I start using my HSA?

After you've enrolled in your HSA, you'll receive a Kaiser Permanente Health Payment Card. To use your card, you'll first need to activate your HSA online and contribute funds to your account.

- If you're registered on kp.org, visit kp.org/healthpayment and sign on with your kp.org user ID and password. If you haven't registered, visit kp.org/register today.³ When signing on to kp.org/healthpayment for the first time, be sure to accept the terms and conditions to fully activate your account.

- If you are not enrolled in a Kaiser Permanente health plan, you'll need to activate and manage your HSA at kp.org/healthexpense. When you sign on for the first time, your temporary user ID and password will be the same: the first initial of your first name, plus your first name, plus the last four digits of your Social Security number.
- Once you've activated your account, you'll be able to contribute funds to your HSA, check your balance, request distributions, view past transactions, and more—all online.

After your account is activated, you'll need to activate your card before you use it. Just call the number on the activation sticker. You'll be able use your card to pay for qualified medical expenses at any Kaiser Permanente facility or other health care provider, including physician offices, hospitals, and pharmacies.

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 qualified medical expenses, both for yourself and for your covered dependents. Examples of qualified medical expenses include:

- eyeglasses and Lasik vision correction
- hospital visits
- prescription drugs

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- 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 maximum 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 2014, maximum annual contributions to an HSA are capped at \$3,300 for individuals and \$6,550 for families. If you're 55 or older, you can make an additional catch-up contribution of \$1,000. These amounts 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.

▶ **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.

▶ **How do I contribute funds to my HSA?**

You have a couple of options for making contributions to your HSA:

- If your employer offers payroll deduction, you can contribute to your HSA on a pre-tax basis.
- You can contribute funds online at kp.org/healthpayment.⁴ Just click on the "Make HSA Contribution" button in the "I Want To..." section of the home page.
- To make a contribution by mail, complete a Contribution Form, write a check to Kaiser Permanente, and mail both to:

Kaiser Permanente
P.O. Box 1540
Fargo, ND 58107-1540

▶ **Are there any administrative fees associated with my HSA?**

Yes. There is a monthly account administration fee of \$3.25 per account, which may be automatically deducted from your HSA or paid by your employer. The fee is waived once your average daily balance reaches \$2,000.

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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:

Health Payment 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 from your HSA later by requesting a distribution online at kp.org/healthpayment.⁴ Or call our Kaiser Permanente Health Payment Services line at **1-877-761-3399** to request a distribution request form, 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, 7 days a week, at kp.org/healthpayment.⁴ 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 check your balance and get other account information with our free KP HRA/HSA/FSA Balance Tracker app, which you can download for your smartphone or mobile device. Or 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. Certain automated account information is also available by phone after hours, in English and Spanish.

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

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.² 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.

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▶ 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 get reimbursed from your HSA for that payment. You'll need to request a distribution by:

- signing on to kp.org/healthpayment,⁴ or
- calling **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time, to ask for a distribution request form.

▶ 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, income tax will apply. An additional 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. Be sure to keep your bills, as well as your itemized receipts and Summary of Accumulations or Explanation of Benefits, since you may need to provide these for tax purposes later.

▶ 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 each additional two-card order. Sign on to kp.org/healthpayment⁴ or call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

▶ Does my HSA include investment options?

Yes. Once your average daily account balance reaches \$2,000, investment opportunities are available. For your convenience, you can manage your investments online at kp.org/healthpayment.⁴ For more information about the options available, call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

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► I'm not enrolled in my HSA-qualified health plan anymore, but my HSA is still open. Can I use my account?

Yes. You can keep any funds still available in your account and continue using them to pay for qualified medical expenses for as long as you keep your account active. And if you have a Health Payment Card, you can still use it to make payments. However, automatic contributions to your account will not continue.

You also won't be able to manage your HSA at kp.org/healthpayment. For online access, you'll need to re-register at kp.org/healthexpense. After registering, you'll be able to access the same account information as before. For more information, call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

► What happens to my HSA when I turn 65?

When you turn 65, you can still use the funds in your HSA tax-free to pay for qualified medical expenses. However, you won't be able to contribute money to your account once you're enrolled in Medicare. At age 65, you can also start using your account to pay for things other than medical expenses. Any HSA funds used for nonmedical expenses will be taxable as income but won't be subject to the additional 20 percent penalty. Those younger than 65 who use their accounts for nonmedical expenses will need to pay income tax and the additional 20 percent penalty on the amount withdrawn.

► What if I have an HSA with another financial institution?

You can transfer your available funds from your existing bank to the HSA administered through Kaiser Permanente. Or you can choose to have more than one HSA as long as your contributions don't exceed the annual maximum set by the IRS. For more information about transferring HSA funds, call **1-877-761-3399**, Monday through Friday (except holidays) from 5 a.m. to 7 p.m. Pacific time.

¹The 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.

²To 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.

³It may take up to nine days from when you register on kp.org before access to your account will be available through kp.org/healthpayment.

⁴If you are not enrolled in a Kaiser Permanente health plan, you'll need to access and manage your HSA at kp.org/healthexpense. When you sign on for the first time, your temporary user ID and password will be the same: the first initial of your first name, plus your first name, plus the last four digits of your Social Security number.

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