Consumer Directed Health Plan with Health Savings Account
(CDHP with HSA)
FAQ

What is the UnitedHealthcare CDHP with HSA?
The UnitedHealthcare CDHP with HSA is a high deductible health plan that gives you traditional coverage coupled with a Health Savings Account. You'll have access to a national, extensive network of physicians and healthcare facilities. The HSA provided by Health Equity, is like a regular banking account with special tax advantages – an account that gives you control over when and how your health care dollars are used.

What is the coverage?
The CDHP with HSA offers comprehensive medical coverage, just like the other available medical plan options – everything from doctor's office visits to lab and X-ray services, as well as urgent care and prescription drugs. It works in many ways like a traditional Preferred Provider Organization (PPO) plan, but it doesn't have any copays.

The CDHP is a high deductible plan, with an annual deductible, which is an amount that you must pay before the plan begins paying any benefits. After you meet your deductible, you pay coinsurance (a percentage of the provider's charges).

What is a Health Savings Account?
After you enroll in the UnitedHealthcare CDHP with HSA, you establish a health savings account in your name with HealthEquity Bank. You can use the money in your account to pay for eligible current or future health care expenses.

What are the deductibles, coinsurance and out-of-pocket maximums?

2018 Amounts	Individual Coverage	Family Coverage
Annual Deductible *You pay…*	$1,500 in-network $3,000 out-of-network	**$2,500 in-network** **$5,000 out-of-network**
Coinsurance *You and the plan share…*	In-Network: **Plan pays 90% and you pay 10%** Out-of-Network: **Plan pays 70% and you pay 30%**	
Out-of-Pocket Maximum *You pay no more than…*	**$3,500 in-network** **$7,000 out-of-network**	**$6,000 in-network** **$12,000 out-of-network**

Can one family member satisfy the family deductible or out of pocket maximum?
Yes. If you cover one or more dependents, you must meet the *full* family deductible amount before the plan begins to pay benefits – even if only one member of your family needs medical care beyond preventive services. Just like the family deductible, if you cover one or more dependents, you must meet the *full* family out-of-pocket maximum amount before the plan begins to pay the remainder of eligible medical benefits for the rest of the year. This applies even if only one member of your family is using the plan's benefits.

Is this plan right for me?
The CDHP with HSA offers a low per paycheck cost and could work well for you if you're looking for a way to lower your taxable income, and/or want to save money for future health care costs. While the plan can offer you tax savings, it does have a higher annual deductible than other plans and doesn't feature copays. If you have an ongoing medical condition or take medication regularly – which means you'll have some known out-of-pocket costs – you may want to think carefully about whether the CDHP is the right choice for you.

What services does the CDHP with HSA plan cover?
The CDHP covers all of the expenses covered by a typical health plan – from office visits and prescription drugs to major surgery. When you use your HSA to pay for services covered by the plan, the expense is applied toward your deductible and out-of-pocket maximum.

What about preventive care services like physicals?
The plan covers preventive care services like physical exams, immunizations and mammograms at 100% if you visit in-network providers.

Does the plan cover prescription drugs?
Yes. You can choose to pay for your prescription drugs from your HSA. If you don't have enough funds in your HSA— you will have to pay out of your own pocket until you satisfy your annual deductible, before the coinsurance part of the plan begins.

Who is eligible to open an HSA?
To be eligible to open an HSA, you must meet these criteria:

- You must be covered by an HSA-compatible health plan, and not covered under any other health plan.
- You must be enrolled in the plan on the first day of the month. Otherwise, your eligibility to make contributions to your HSA begins the first day of the following month.
- You and your spouse may not have a "general purpose" Health Care Flexible Spending Account (FSA), even if your spouse is not covered by the UnitedHealthcare CDHP. That's because both an HSA and a Health Care FSA offer tax advantages that cannot be combined.
- You must not be enrolled in Medicare.
- You must not be eligible to be claimed as a dependent on another individual's tax return.
- You must be a U.S. resident, and not a resident of American Samoa.
- If you are a veteran, you may not have received veterans' benefits within the last three months.
- You must not be active military.

I'm not sure what's the same or different about the HSA and a Health Care Flexible Spending Account (FSA)?

HSA	Health Care FSA
Funded with pre-tax dollars to pay for medical expenses	
Tax-advantaged – they lower your taxable income so you pay less in federal taxes	

Tax-free at time of use for eligible medical expenses	
Balances roll over from year to year – you will not lose your contributions	"Use or lose" – FSA contributions must be used during the year of contribution
Portable – your HSA dollars will go with you if you leave PayPal Inc.	Not portable – if you leave PayPal Inc., your FSA dollars are forfeited
Eligible to use contributions that have been deposited into your account	Eligible to use your annual contribution prior to having the deductions fully withheld from your paycheck.

Can I have an HSA and a Health Care FSA?

You are eligible to have both an HSA and a Health Care FSA; *however*, the FSA will be defined as a "limited use" FSA, which means that you are only allowed reimbursement of eligible dental and vision services. You may not have an HSA and a "general purpose" FSA since they both cover the same types of expenses. If you enroll in the UnitedHealthcare CDHP with HSA with PayPal and you enroll in FSA, your FSA will be limited use.

How much can I contribute to my HSA?

Because you receive a special tax advantage on your HSA account, total contributions to the account are limited by law to an annual contribution maximum set by the U.S. Treasury and the IRS. These contribution maximums may be increased for inflation annually. The table below shows the legally mandated contribution maximums.

	Total 2018 HSA Contribution Limit
Individual Coverage	$3,450
Family Coverage	**$6,900**

*Additional "catch-up" contribution of $1,000 allowed if you're 55 or older.

Can I ever contribute more than the annual limit?

Yes, people age 55 and older who are not enrolled in Medicare are eligible to contribute an additional $1,000 above the regular limits (called a "catch-up" contribution). These individuals can make catch-up contributions each year until they enroll in Medicare. Only you as the account holder, or subscriber, can make catch-up contributions, and amounts allowed may be prorated if you are enrolled in the plan less than 12 months. Catch-up contributions can be made in the same way your regular pre-tax contributions are made.

What if I contribute too much to my account during a year and exceed the annual maximum contribution?

If you contribute too much to your account, IRS rules will require you to pay regular income tax plus a 10% tax penalty on the excess amount you contributed. (Note: Different rules apply if you contributed too much because you left the plan during the year.)

Can I change my HSA contribution amount during the year?

The HSA is flexible in that you can change your contributions to it at any time – but it's up to you to make sure you don't exceed the IRS total contribution limit for the year. To change your contribution amount, log into YBR (www.ybr.com/benefits/paypal and go to the Change my Benefits section.

What if my spouse has an HSA, too?
If your spouse has an HSA and either of you is covered under the other's plan, your combined HSA contributions are limited to the annual IRS contribution maximum for family coverage.

Do I have to use funds from my HSA to pay for medical expenses and prescriptions?
No. You may pay out of pocket with after-tax dollars and let your HSA balance grow (federally) tax-free, and use them in the future for other eligible health care expenses.

What if I have money left in my HSA at the end of each plan year?
The HSA dollars you don't spend are yours to keep and save, year after year. Your HSA can help you pay for future medical expenses. Remember, you have control over your health care dollars. You can use your HSA to pay for eligible medical or prescription expenses, or you can pay for those expenses out of your own pocket as they come up – saving the money in your HSA for future use. When you have rollover dollars in your HSA in future years, you can pay less out of your pocket for future expenses, since you have more HSA dollars to apply toward your annual deductible.

What if I use HSA funds to pay for non-qualified medical expenses?
Any amount you spend from your HSA on a non-qualified expense will be considered part of your taxable income. You will also owe a 10% penalty on that amount (unless you reach age 65, become disabled or die, or rollover your HSA to another HSA account), and non-qualified expenses will not apply toward your deductible. For a list of qualified medical expenses, visit the IRS website at www.irs.gov and type "Publication 502" in the search box.

Where can I get more information on HSA regulations?
You can visit the U.S. Treasury website at www.treas.gov and type "HSA" in the search box.

How do I access the money in my HSA?
Contributions must accumulate enough in your account before you can use them to pay for your health care expenses. You can use those dollars to pay for any medical care you've received or other eligible health care expenses incurred since the date you established your HSA.

Once you've established your HSA with HealthEquity, you'll receive a debit card that you can use to conveniently pay at the pharmacy, doctor's office or elsewhere. You can pay your bills for qualified medical expenses online at myuhc.com. Pay out of pocket and reimburse yourself, online or by withdrawing money with your debit card.

Although you don't need to submit receipts when you're reimbursing yourself with your HSA dollars, you should save your receipts for tax purposes.

What should I do with my receipts?
You should keep your receipts for services you've received. Since you own the HSA, you are responsible for providing documentation to the IRS, if you ever need to, for the expenses charged to your HSA. The money that goes into and out of your HSA – contributions and disbursements – is reported to the IRS each year. It's important that you review this account with your tax advisor, since it's like having another banking or savings account.

How do I find out my HSA balance?
As a UnitedHealthcare CDHP with HSA member, you can keep track of your HSA activity and

balance, as well as get details on all of your medical claims on the UHC website, myuhc.com.

Are there any administrative fees charged to my HSA?

Like other bank accounts, your HSA is subject to banking fees. You're responsible for paying any monthly service fees or additional fees for services like accessing cash at ATMs or overdrafts.

Is there a time restriction on when I may use the funds in the account?

No. There is no time restriction on when funds may be used. Once funds have been contributed into the HSA, they may be used at any time in the future for qualified medical expenses.

What are the tax benefits of an HSA?

There are several benefits:

- Contributions to the account are (federally) tax-deferred or tax-advantaged, meaning they are not subject to federal income taxes
- Withdrawals from the account for qualified medical expenses are (federally) tax-free
- Any investment or interest earnings in your account are (federally) tax-deferred
- Depending on the state where you live, you may save on your state taxes as well.

How does the money I contribute to my HSA help me save on taxes?

Any money you contribute to your HSA is considered federally tax-deferred. That is, it is not counted as taxable income for the year. So, if you contribute $1,000 to your HSA, your federal adjusted gross income for the year is reduced by $1,000, which could save on what you owe for taxes, depending on your tax status.

Are there any special instructions for filing my taxes?

Yes. You will receive a 1099 form and a 5498 form in the mail near tax time, so you can file your taxes. You will have to complete an 8889 form when you file your taxes. In addition, you need to keep track of your receipts for anything you pay for from your account in the event you need to provide documentation to the IRS to show you used any HSA funds on qualified medical expenses. Please consult a tax advisor to ensure you file your taxes correctly.

How do I enroll in the plan?

To enroll in the CDHP with HSA, you first start by enrolling in the CDHP medical option during the enrollment period. Once enrolled in the CDHP, you'll receive a plan member ID card in the mail from UnitedHealthcare and a HSA Welcome Kit from HealthEquity.

Glossary of Terms

Annual deductible – the amount you must pay before the plan begins paying benefits. The amount will depend on whether you have individual medical coverage or family coverage (where you are covering one or more dependents), and whether you visit in-network or out-of-network providers. The annual deductible does *not* apply to eligible preventive care services, which are covered at 100% in-network. For 2018 deductible amounts, click here.

Copay – a flat dollar amount that you pay out of your pocket when you receive medical care services or prescriptions. The UnitedHealthcare CDHP with HSA does not feature copays.

Coinsurance – the cost for provider services that the plan shares with you after you meet your annual deductible. The plan pays a majority percentage in coinsurance, and you pay the remaining percentage. The plan pays higher coinsurance and you pay less if you visit in-network providers. You have the choice of visiting in-network providers – those who belong to the UnitedHealthcare network – and those who don't. You'll receive higher benefits, and have lower out-of-pocket expenses, if you see in-network doctors. For 2017 coinsurance amounts, click here.

General Purpose Health Care Flexible Spending Account – an account that lets you set aside pre-tax money from your paycheck to reimburse yourself for your eligible medical, dental and vision expenses, as defined by the Internal Revenue Service (go to www.irs.gov and type "Publication 502" in the search box). Cannot be combined with an HSA (for more information, click here).

Health Savings Account – A regular banking account funded by you that offers special tax advantages and control over when and how your health care dollars are used.

In-network – providers (e.g., doctors and hospitals) that have contracted with UnitedHealthcare and will accept their payments as payment-in-full for specific covered services. When you visit an in-network provider, the plan pays higher benefits and you'll have lower costs based on the contracted rates. In-network providers will also typically handle filing claims for you. You can find in-network providers by visiting myuhc.com.

Limited Use Flexible Spending Account – an account that lets you set aside pre-tax money from your paycheck to reimburse yourself only for eligible dental and vision services. Can be combined with an HSA.

Out-of-network – providers (e.g., doctors and hospitals) that do not belong to the UnitedHealthcare network and therefore have not agreed to accept their payments as payment-in-full for specific covered services. Out-of-network providers may charge more for services than what in-network providers have agreed to accept. If you choose an out-of-network provider, you will be responsible for any additional amount they may charge.

Out-of-pocket maximum – a cap, or limit, on what you have to pay out of your own pocket for medical care in a calendar year.