

# Frequently Asked Questions – High Deductible Health Plan (HDHP) w/Health Savings Account (HSA) Plan

## HDHP w/HSA Plan Overview

The HDHP plan gives you medical coverage coupled with a health Savings Account (HSA). Henrico County will provide HSA funds during the year (\$1,500/individual; \$3,000/family) and you can choose to contribute with pre-tax contributions. You can use money in your HSA to pay for your medical care, including prescriptions. The HDHP plan is a “consumer-driven health plan” designed to help you take greater control of your health care spending.

Your HDHP plan includes a traditional health coverage component that helps protect you against further health expenses. You can also get personalized health services and online tools to help you manage your health, health decisions and health care dollars.

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## Health Savings Account (HSA)

### **Q: Who is eligible to open an HSA?**

A: To be eligible, you must meet these criteria:

- You must be covered under a qualified high deductible health plan (HDHP).
- You have no other health insurance coverage unless permitted by IRS guidelines. This would include being enrolled in your spouse’s plan as secondary coverage. Note: Federal law requires minimum deductible levels for individual and family coverage for HSA-compatible health plans.
- 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 may make the maximum annual HSA contribution for the year regardless of the month you become eligible.
- You must not be enrolled in Medicare, TRICARE or TRICARE for Life.
- You must not be claimed on another individual’s tax return.
- You haven’t received Veterans Affairs (VA) benefits within the past three months, except for preventive care. If you have a disability rating from the VA, this exclusion does not apply.
- You do not have a medical Flexible Spending Account (FSA). This includes a spouse’s medical FSA.

Note: You (the subscriber) must be under the age of 64 on January 1, 2025. Federal law limits HSA contributions, such as the County’s HSA contributions, to those under age 65.

### **Q: Can I cover a spouse who is over the age of 64 or Medicare eligible as of January 1, 2025?**

A: Yes.

**Q: What is the difference between an HSA and an FSA (health care flexible spending account)?**

A: Both HSAs and FSAs can be funded with pre-tax dollars and be used to pay for medical expenses. However, HSA balances can roll over from year to year, while FSA money is forfeited (except for the \$610 carry over provision) if it is not spent during a 12-month period. And, if you leave your employment, your HSA dollars are yours to keep.

**Q: Can I have an HSA and an FSA?**

A: You cannot have both an HSA and Health Care FSA. If you will have unspent funds from a 2024 health care FSA and you enroll in the HDHP plan for 2025, you will forfeit any carryover funds to allow your enrollment in the HSA.

**Contributions to your Health Savings Account (HSA)**

**Q: How is my HSA funded?**

A: Your HSA is funded through contributions from Henrico County and funds you may choose to contribute on a pre-tax basis through payroll deductions up to a certain annual limit. You may also contribute post-tax money to your HSA. Others may contribute to your account as well. The total of all contributions cannot exceed the maximums defined by the U.S. Treasury and the Internal Revenue Service (IRS). (For details, see the question below: How much can I contribute to my HSA?)

**Q: How do I make contributions to my HSA?**

A: The easiest way is through pre-tax payroll deductions. You may make changes by logging in to your Employee Direct Access account at any time during the year. Changes become effective with the next pay period.

**Q: How much can I contribute to my HSA?**

A: The annual contribution maximum set by the U.S. Treasury and the IRS for 2025 is \$4,300 for individual coverage and \$8,550 for family coverage. The contribution maximums set by the U.S. Treasury and the IRS may be increased for inflation annually. Your Health Care Benefits Enrollment Guide will provide information on the annual contribution maximums each year.

**Q: What if my spouse has an HSA?**

A: 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 contribution amount.

Note: A family that files a joint tax return can only contribute up to \$8,550 per year but it is the employee's responsibility to be in compliance.

**Q: Can I ever contribute more than the annual limit?**

A: 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 the account holder (subscriber) can make catch-up contributions, and amounts allowed may be prorated if you are enrolled in the plan less than 12 months.

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

A: If you contribute too much to your account, IRS rules will require you to pay regular income tax plus a 20% 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. For details, see the question below: What if I terminate coverage prior to the end of the year?)

**Q: How much may I contribute if I join the plan after the start of the plan year?**

A: Employees may enroll in the HSA plan during open enrollment or when they begin employment. If you join the plan mid-year as a new hire or as allowed by a qualifying event, you can generally contribute up to the annual contribution maximum. However, to be eligible to contribute up to the full amount, you must have enrolled in the plan by December 1, and you must stay in the plan and remain eligible to contribute to an HSA for the entire 12 months of the following year.

**Q: What if I terminate coverage prior to the end of the year?**

A: If you leave employment with Henrico County, you can continue contributing to your HSA *only* if you continue participating in an HSA-compatible health plan. If you leave during the year and do not enroll in another HSA-compatible plan, the annual contribution maximum is prorated based on the number of months that you were enrolled. If you fund your account for the entire year then leave the plan and do not join another HSA-compatible health plan, you will need to withdraw excess contribution dollars before the end of the tax year and treat these funds as taxable income if you have over-funded the account. Otherwise, you may face tax penalties.

**Q: What if I have money left in my HSA at the end of each plan year?**

A: Whatever you don't spend is yours to keep and save year after year. Your HSA can help you pay for future medical expenses.

**Q: Can I roll over or Transfer funds from my IRA to my HSA?**

A: The Tax Reform and Health Care Act of 2006 authorized a one-time transfer of funds from an IRA to an HSA. The transferred amount, when combined with other HSA contributions for the year, may not exceed the annual contribution maximum. Also, after making such a transfer, you must continue to participate in a qualifying HSA-compatible health plan for 13 consecutive months, beginning in the

month of the IRA to HSA transfer. Otherwise, you will be subject to income taxes and a 20% penalty tax on the transferred amount, except in the case of death or disability.

You can make an IRA transfer by requesting it through the institution that holds your IRA.

**Q: Where can I get more information on the HSA regulations?**

A: You can visit the U.S. Treasury website at [treas.gov](https://www.treas.gov) and type “HSA” in the search box.

## **HDHP Covered Services**

**Q: What services does the HDHP plan cover?**

A: The HDHP plan covers 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 HDHP plan, the expense is applied toward your deductible and out-of-pocket maximum. Qualified medical expenses are defined in section 213d of the IRS code. For a list of qualified medical expenses, please visit the IRS website at [www.irs.gov](https://www.irs.gov) and type “Publication 502” in the search box. When you use the HSA to pay for qualified medical expenses that are not covered by the HDHP plan, those expenses will not apply toward your deductible and out-of-pocket maximum.

**Q: What about preventive care services like mammograms and physicals?**

A: The HDHP plan covers preventive care services like physical exams, immunizations and mammograms at 100% in-network. You won’t have to pay anything out of your own pocket, when you receive care from a network provider. If you use an out-of-network provider, your deductible and out-of-network coinsurance will apply. You may choose to use your HSA dollars to cover these costs.

**Q: Does the HDHP plan cover prescription drugs?**

A: Yes. You can first choose to pay for your prescription drugs from your HSA. If you have depleted your HSA – or choose not to use these funds—you will have to pay out of pocket until you satisfy your annual deductible before the traditional health coverage part of the plan begins. Then, you will pay the applicable copay for any of your prescription drugs. Check your Plan Summary for more information about your prescription drug benefits.

**Q: What if I use HSA funds to pay for non-qualified medical expenses?**

A: The amount you spend on the non-qualified expense will be considered part of your taxable income. You will also owe a 20% penalty on that amount. In addition, non-qualified expenses will not apply toward your deductible.

## **Choosing Health Care Providers**

### **Q: What is the difference between network and out-of-network providers?**

A: Network providers are doctors, hospitals, facilities and other health care providers who participate in Anthem's network. That means they have contracted with Anthem and will accept Anthem's payments as payment in full for specific covered services. Anthem's extensive network includes many different providers and specialists, so it's generally easy to find the care you need.

Out-of-network providers do not have contracts with Anthem and have not agreed to accept Anthem's payment as payment in full for specific covered services. Out-of-network providers may charge more for services than what Anthem's 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 (this is called "balance billing").

### **Q: How do I know if my doctor is in the network?**

A: Search the Online Provider Directory at [anthem.com](https://www.anthem.com).

### **Q: If my doctor isn't in the network, can I still use his or her services?**

A: You can visit any doctor you choose: you never need a referral to see a specialist. You'll save money, though, when you visit a network doctor. Also, if you see an out-of-network doctor you may have to file a claim yourself. You can download a claim form at [anthem.com](https://www.anthem.com).

### **Q: Can I visit any doctor or hospital while traveling?**

A: Yes. You may see any doctor or use any hospital. If you receive emergency or urgent care while traveling, it will be paid as if you were in-network. If you receive non-emergency care, it will be paid at the out-of-network benefit level.

## **Paying for Medical Care and Prescriptions**

### **Q: Can other family members use my debit card?**

A: Yes. Anyone who is an eligible participant on your account can use your debit card provided the person is listed as a signatory on the account.

### **Q: How do I add, replace or delete people who are eligible to use my account?**

A: Your name, as the account holder, will be the only name on the HSA account. However, you can request additional debit cards for eligible family members. For additional debit cards, you must provide authorized signatures for all who participate in the account. To add or delete a person from your account, contact Member Services.

### **Q: Do I have to use funds from my HSA to pay for medical expenses and prescriptions?**

A: No. You may pay out of pocket with after-tax dollars and let your HSA balance grow tax-free.

**Q: Does Anthem require pre-authorization for hospitalizations?**

A: Yes. Your doctor should notify Anthem before you're hospitalized, so Anthem can coordinate care and offer you assistance from a health coach.

**Q: Do I need to get pre-authorization for any drugs?**

A: Yes, some drugs require pre-authorization. Just call Member Services at the number on your ID card to find out if a particular drug requires pre-authorization or check [anthem.com/pharmacy](https://www.anthem.com/pharmacy) information/3 tier National Drug List.

**Q: Will I get a discount for using mail order?**

A: You'll pay the amount the mail order pharmacy charges for the drug, which may be less than what you'd pay at a retail pharmacy. You may also be able to get greater supplies at a time through mail order.

**Q: Do I need to use a particular pharmacy for specialty drug coverage?**

A: Please contact Member Services for details about specialty drug coverage.

## **Anthem's Health and Wellness Programs**

**Q: What are Anthem's health and wellness programs?**

A: Anthem's health and wellness programs surround you with resources, tools, guidance and support to help you manage your health – and help you make more informed health care decisions. Just a few of the tools and health coaching programs are described below. Register and log on at [anthem.com](https://www.anthem.com) for more details.

**Q: What is MyHealth Assessment?**

A: MyHealth Assessment is an online health profile that you can complete in a few minutes. It helps you identify possible risk factors based on your current health, family history, lifestyle and other factors. And, like all tools at [anthem.com](https://www.anthem.com), MyHealth Assessment is confidential. Your information is protected by the highest level of online security, and will not be shared with your employer. You and your covered family members may complete MyHealth Assessment to get a snapshot of your health status and potential health risks.

**Q: What are health coaching programs?**

A: The health coaching programs – available at no extra cost to you – team members with certain or ongoing health concerns with a registered nurse. The programs include:

- ConditionCare – helps members manage chronic conditions such as asthma, diabetes, heart failure, coronary artery disease (CAD) and chronic obstructive pulmonary disease (COPD). To get information about the ConditionCare program, call 1-866-577-9443.
- Future Moms – helps mothers-to-be make informed decisions for a healthy pregnancy and delivery. To get information about Future Moms, call 1-866-347-8360.
- ComplexCare – supports members who have multiple ongoing health conditions. If you qualify for the ComplexCare program, a nurse will contact you.

**Q: Do health coaches actually provide care?**

A: No, but your health coach may discuss treatment plans with you and your doctor to help you receive the best care – and help you stay on track with your doctor’s advice.

**Q: Will my employer know if I am enrolled in a health coaching program?**

A: No. The only way your employer will know is if you tell them. Information shared by you and your doctor will not be released unless you have given written permission.

**Q: What is the 24/7 NurseLine?**

A: 24/7 NurseLine is a service you can call to get answers to your immediate health care questions. Registered nurses are on hand to answer your calls 24 hours a day, 7 days a week. The telephone number for the 24/7 NurseLine can be found on your ID card.

**Q. What is the LiveHealth Online Program?**

A: LiveHealth Online allows you to talk to a doctor anytime (365 days a year). LiveHealth Online uses two-way video chat to connect you with doctors over the Internet. You don’t need to schedule an appointment. You don’t have to leave your home or office. Doctors can answer your questions, make a diagnosis and even prescribe medications. The cost for HDHP members is \$49 (this goes toward your deductible if you haven’t met it).

**Managing the Money in Your HSA**

**Q: Who holds the money in my HSA?**

A: Anthem HSA’s banking partner, PNC Bank, will hold and invest the money. Anthem handles getting your enrollment information to Anthem HSA.

**Q: How do I find out my HSA balance?**

A: It’s easy. First register and then log on at anthem.com. You can keep track of your HSA activity and balance, as well as get details on all of your medical claims.

**Q: Will my HSA earn interest?**

A: Yes. The HSA is an interest-bearing checking account.

**Q: Can I invest my HSA?**

A: Yes. You'll need to reach a minimum balance of \$1,000 in your HSA before you can begin investing. You must maintain that minimum balance in your account and then you can invest any additional amount in the investment funds available. When you are ready to invest, all you need to do is request a prospectus from Anthem HSA for each fund that will provide more details.

**Q: Are the interest and investment earnings in my HSA tax-free?**

A: Yes, when the funds are distributed and used for a qualified medical expense. Interest and investment earnings grow tax-deferred in the account.

**Q: Are any administrative fees charged to my HSA?**

A: A monthly account management fee will be deducted from your account. Also, typical banking fees will apply such as charges for new checks, overdraft charges, charges for replacement debit cards and a fee for paper statements. Upon enrollment in the program you will receive information about the account, including the Health Savings Account deposit Agreement and Disclosure Statement. Please refer to the Health Savings Account Deposit Agreement and Disclosure Statement for detail on the fees. Once your Anthem HSA account is established, you can opt out of receiving paper statements and you will no longer be charged this fee.

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

A: 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.

**Q: If I leave the HDHP plan, what happens to my HSA?**

A: You own your HSA. So, if you leave the HDHP plan or even leave employment, you can take the account with you. You can even use it after you retire – for example, to pay Medicare premiums. You may choose to keep the funds in your account or roll the funds into a different account. If you leave the funds in your account, maintenance fees will apply. Please refer to the Health Savings Account Deposit Agreement and Disclosure Statement for a list of these fees. Note: If you keep your HSA after leaving the plan, you cannot continue to contribute to it unless you enroll in another HSA-compatible plan.

**Q: Can I roll funds from my HSA over to another HSA if I leave the program?**

A: Yes.

**Tax Issues**

**Q: What are the tax benefits of an HSA?**

A: There are several benefits:

- Contributions to the account are (federal) tax-deferred or tax-advantaged.



- Withdrawals from the account for qualified medical expenses are (federal) tax-free.
- Any investment and interest earnings in your account are (federal) tax-deferred.

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

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

**Q: What should I do with my receipts?**

A: 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.

**Q: Are there any special instructions for filing my taxes?**

A: 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.

## **Your Privacy**

**Q: Is the online health site secure?**

A: Yes. Anthem's customers-only health site is secure and password-protected. Your personal data is encrypted using the highest encryption level currently available.

**Q: What is Anthem's privacy policy?**

A: You can read the Privacy Policy anytime at [www.anthem.com/memberrights](http://www.anthem.com/memberrights).

## **Contact Anthem for Help**

Please contact Anthem with any questions you have about your HDHP w/HSA plan.

During Open Enrollment, you can call Anthem at 1-877-419-1657 and speak directly to a representative about the HDHP w/HSA plan. You and your family members should receive your Anthem ID cards by your effective date of coverage. After your effective date, call the number on your ID card should you have questions.

After Open Enrollment, you will need to call the Anthem customer service number on your Anthem ID card, which is 844-721-0404.