



# HealthCare Spending Accounts HSA and HRA 101

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The HealthEquity logo consists of the word "HealthEquity" in a bold, sans-serif font. "Health" is in purple and "Equity" is in green. Below it, the tagline "Building Health Savings" is written in a smaller, grey font.

**HealthEquity**  
Building Health Savings™



**BlueCross BlueShield  
of Vermont**

*An Independent Licensee of the Blue Cross and Blue Shield Association.*

# Objectives for today

- Understand what healthcare spending accounts are and how to implement them
- Identify decision points
- Raise awareness of additional resources

# New VEHI Health Plans

Will continue to have:

- Excellent benefits
- Comprehensive networks
- World-class customer service
- State-of-the-art wellness programs
- Range of cost-share options

*The new VEHI plans will offer comprehensive medical coverage in every major benefit category currently available to subscribers.*

# Cost-Sharing Options

- VEHI's four new plans offer a range of rates and out-of-pocket (OOP) costs. Generally speaking, the plans with lower rates have higher OOPs; plans with higher rates have lower OOP costs. As with the current VEHI plans, you will only incur OOP costs under the new plans when you get care.
- All cost-sharing is based on a *calendar year*
- All four plans are compatible with a Health Reimbursement Arrangement (HRA), and our two CDHPs can be integrated with a Health Savings Account (HSA). HRAs and HSAs are tax-advantaged vehicles to pay for qualified medical expenses.
- Eligible employees can select any of the four plans when deciding how best to meet their needs and the needs of their family.

# HealthEquity Partnership



HealthEquity®  
Building Health Savings™

- VEHl has partnered with Health Equity and BCBSVT to provide an integrated solution for school boards and associations who agree to offer healthcare spending accounts
- Integrated claims feed from BCBSVT - no need for employees to submit health claims for reimbursement
- Integrated enrollment and eligibility
- Easy to use online functionality for employer and employee
- Discounted administrative charges (billed to employer, paid by district/member as negotiated)

# Account Overview Agenda

- Health Savings Account (HSA)
- Health Reimbursement Arrangement (HRA)

***VEHI does not in any way endorse specific health care plan options or cost-sharing arrangements. Decisions about health care plans, funding arrangements, cost-sharing mechanisms, and related salary considerations are made through the collective bargaining between school district and local unions. VEHI shares information about the use of HRAs and HSAs in order to ensure parties have access to information about the options available and to secure cost effective pricing for administering these plans through a third-party vendor.***

# Other Types of Tax-Advantaged Accounts

- Medical Flexible Spending Account (MFSA)
- Limited Purpose Flexible Spending Account (LPFSA)
- Dependent Care Reimbursement Account (DCRA)
- Post-Deductible Health Reimbursement Arrangements (PDHRA)

# Other Types of Tax-Advantaged Accounts

Employers may offer and employees may utilize more than one account at a time, subject to federal requirements.

Join us for a webinar in the beginning of October to review these accounts. Look for information on the VEHI website.

# Health Savings Accounts

# Health Savings Account (HSA)

- Must be paired with either a VEHI Gold CDHP or Silver CDHP plan
- Can be funded by the employer, if negotiated, and/or employee
- Money deposited pre-tax , grows pre-tax and withdrawn pre-tax for qualified medical expenses
- Funds are only available when they are deposited into account
- Employees use HSA dollars to pay for their out-of-pocket expenses for qualified medical expenses
- The HSA belongs to the employee
- Unused monies roll over from year to year and earn interest
  - No Use It or Lose It
- May be paired with:
  - Limited-Purpose FSA
  - Dependent Care Reimbursement Account
  - Post-Deductible HRA (2017 minimum member deductible of \$1,300/\$2,600)

# Health Savings Account

- In order for employees to make and receive HSA contributions they must-
  - Be enrolled in a CDHP plan
  - Not be covered by a Medical FSA (including their spouse's Medical FSA at their place of employment)
  - Not be enrolled in Medicare or receive Tricare benefits
  - Not be enrolled in another health plan, except for other permitted coverage
- You may have other permitted coverage, including:
  - Separate Dental or Vision plans
  - Supplemental Plans that cover a specific disease or length of stay
  - Long Term Care, Disability, Accident, and Life Coverage

# Health Savings Account

- Qualified Healthcare Expenses (all Section 213d expenses)
- Funds may be used to pay for -
  - Spouse and tax-dependent\* children's healthcare expenses , even if not covered by the HSA qualified plan
  - Dental, vision and other qualified expenses even if not covered by health plan
  - Long Term Care Insurance policy
  - Medicare Part B or D premiums (with monies contributed prior to becoming Medicare eligible),
  - Cobra premiums and health insurance premiums while receiving unemployment benefits
- Maximum HSA Contributions (2017)
  - Individual: \$3400
  - Family: \$6750
  - If 55 or over, can make an additional "catch up" contribution of \$1000
  - Total amount of contributions include employee contributions and any negotiated employer contributions

\*Children can be covered on the health plan up to age 26, however, HSA dollars can only be for a child that is an eligible tax dependent. Those who are not tax dependents can open their own HSA.

# HSA

# TIMELINE



## We'll take you there.

.....

Our streamlined process makes implementing HSAs easy for employers. With powerful technology and an expert implementation team, we provide a convenient launch process with three easy phases:

# HSA Decision Points



- Will the employer (district) provide HSA funds to employees?
- If so, will an employee match be required?
- How much will the district contribute:
  - By plan design (Gold CDHP vs Silver CDHP)
  - By policy tier (single, two-person, parent/child(ren), family)
  - By employee class
- When will the employer money be deposited into the employee's HSA?
  - Weekly, bi-weekly, monthly, quarterly, semi-annually or annually
- Who will pay the monthly administrative fees? (Fees are billed to the employer)

# Health Reimbursement Arrangements

# Health Reimbursement Arrangement (HRA)

- Promise to pay by the employer
- Pre-tax for employer and employee
- Eligible to be paired with any VEHI health plan
- Belongs to the employer
  - Unused funds can be rolled over or forfeited (negotiated)
- Funds are available at beginning of year
- Required Plan Document provided at no extra charge through the HealthEquity partnership
- Subject to COBRA
- Can be paired with:
  - Medical FSA
  - Dependent Care Reimbursement Account
  - Limited Purposed FSA (not common)

# HRA Decision Points



- Will the employer (district) provide HRA funds to employees?
  - If yes, incorporate in the Section 125 plan document
- How much will the district contribute:
  - By plan design (Platinum, Gold, Gold CDHP, Silver CDHP)
  - By policy tier (single, two-person, parent/child(ren), family)
  - By employee class
- Who will pay the monthly administrative fees? (Fees are billed to the employer)

# HRA Decision Points



Who pays first: employer or employee?

**Example:** Gold Plan \$1,200 deductible

- The final agreement is for Employer to pay \$600 to help cover the Employee deductible, but be sure to decide who pays first:

Employer pays first \$600

then Employee pays \$600

**OR**

Employee pays first \$600

then Employer pays \$600

# HRA Decision Points



What are employer HRA dollars allowed to be used for?

- Deductible
- Coinsurance
- Copayments
- Prescriptions
- All Qualified Medical Expenses? (213(d) expenses)

If Employer/HRA pays first, is a debit card needed?

- Prescriptions
- All Qualified Medical Expenses? (213(d) expenses)

# HRA Decision Points



- How will the HRA funds be distributed?
  - Auto Pay Providers or Auto Reimburse Members
- How long will the plan year run-out last?
  - For active employee versus terminated employees
- If you hire a new employee mid-year, will the employee receive all of the agreed upon HRA dollars, or will it be pro-rated?
- Will unused HRA funds roll-over from one plan year to the next?
  - If yes, will the roll-over amount be capped?

# HRA Decision Points

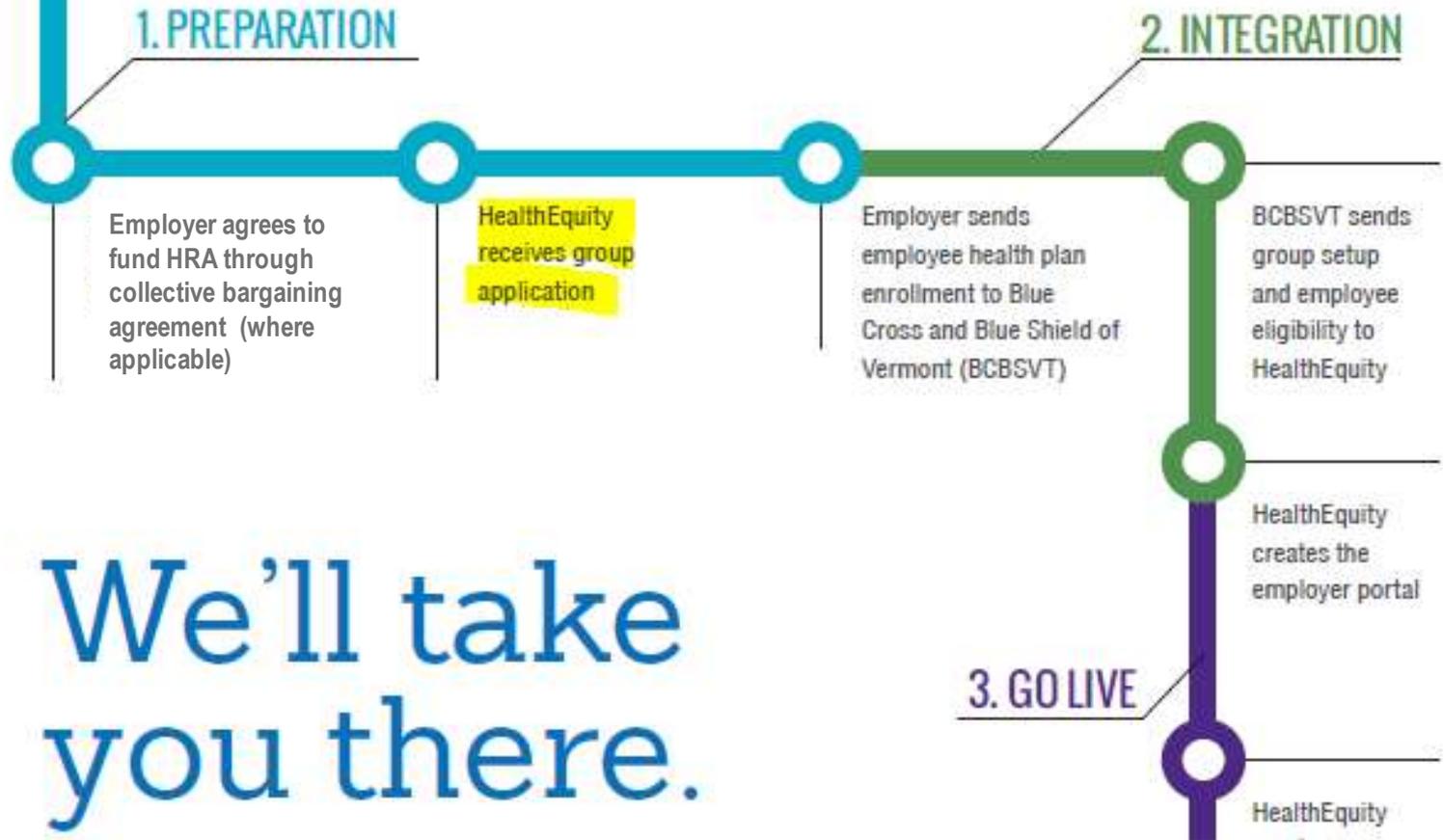


How will the HRA be funded?

Funding Type	Frequency	Amount
Fully Fund	Once	Entire Amount of Promised Dollars
Pay as you go	Ad hoc	Amount due is automatically withdrawn from your account
Reserve Account: Daily	Replenish Account Daily	3% of promised dollars
Reserve Account: Weekly	Replenish Account Weekly	10% of promised dollars
Reserve Account: Monthly	Replenish Account Monthly	20% of promised dollars

# HRA

# TIMELINE



We'll take you there.

# HealthEquity Fees\*

	Cost	Frequency
HSA Administration	\$2.50	Per Account Per Month
HRA Administration	\$3.45	Per Account Per Month
HRA set-up fee and annual maintenance	Included	Initial and Annual

\*Find all fees on the [healthequity.com/sales/bcbsvt](https://healthequity.com/sales/bcbsvt) website, see: *Integrated Fee Schedule*

# HealthEquity Experience for Employers and Employers

# HealthEquity Employer Experience

The screenshot shows the HealthEquity Employer Portal. At the top left is the HealthEquity logo. The main header is "Employer Portal". On the right, it says "Powered by HealthEquity" and "Welcome back, Acme Corp [57114]". Below the header is a navigation bar with tabs: "Employee Info", "Insurance Info", "Manage Money", "Company Detail", "Reports", and "Resources". To the right of the navigation bar are links for "Home", "Contact Us", and "Logout".

The main content area features a large banner with the text "Welcome to your Employer Portal" and a background image of hands typing on a keyboard. Below the banner, it says "Call Employer Services at 866-382-3510 available 8AM-7PM CST [Mon-Fri]". A paragraph follows: "This is your personal workspace. It gives you access to the tools and resources you need to manage your group's health savings account program. From this portal you can enroll and edit employee information, make contributions, pay fees (if applicable), generate reports, and more."

Below the paragraph is a link: "Health Care Reform Provisions that Could Impact Consumer Driven Health Plans. Click [Here](#) For More Info on the Timeline and Click [Here](#) for Highlights."

At the bottom of the main content area are three cards with images and buttons:

- Enroll Employees**: Image of a computer monitor displaying the HealthEquity logo. Button: "Continue +"
- Make Contribution**: Image of US dollar bills. Button: "Continue +"
- Employee Info**: Image of a stack of purple folders. Button: "Continue +"

On the right side of the page is a "Quick Stats" box with the following data:

Employees With HSA:	<b>19</b>
YTD HSA Contributions:	<b>\$25,100.00</b>
Last HSA Contribution:	<b>07/20/2011</b>
Unpaid Fees:	<b>\$0.00</b>

At the bottom of the page is a footer with the text: "© Copyright 2015 HealthEquity - All Rights Reserved | [HealthEquity Home](#) | [Privacy Policy](#) [employerservices@thehealthequity.com](mailto:employerservices@thehealthequity.com)"

Employer Portal is available for employers that offer HRAs or HSAs

# HealthEquity Employee Experience



Debit cards are available for employees with HSAs or HRAs



**CALL NOW TO ACTIVATE YOUR NEW HEALTHEQUITY VISA® HEALTH ACCOUNT CARD!**  
To activate your card, please call 866.296.2852.  
Remove this sticker before use.

# HealthEquity Employee Experience



Employee Portal is available for employees with either an HRA or HSA

HealthEquity  
John Doe (8691878) Sign Out

Home My Account Claims & Payments Docs & Forms Resources Contact 3

### Account Balances

HSA Available Balance	\$5,530.20
HSA Contributions YTD	\$0.00
HSA Distributions YTD	\$0.00



- ### Quick Links
- Pay Doctor/Provider >
  - Request Reimbursement >
  - Make Contribution >
  - Transaction History >
  - Investments >

- ### Resources
- Blue Cross Blue Shield Vermont >
  - Custom Link >
  - \$4 Prescriptions >

- ### To Do
- Unresolved Claims 4
  - Unlinked Receipts/Docs 0
  - Unread Messages 3

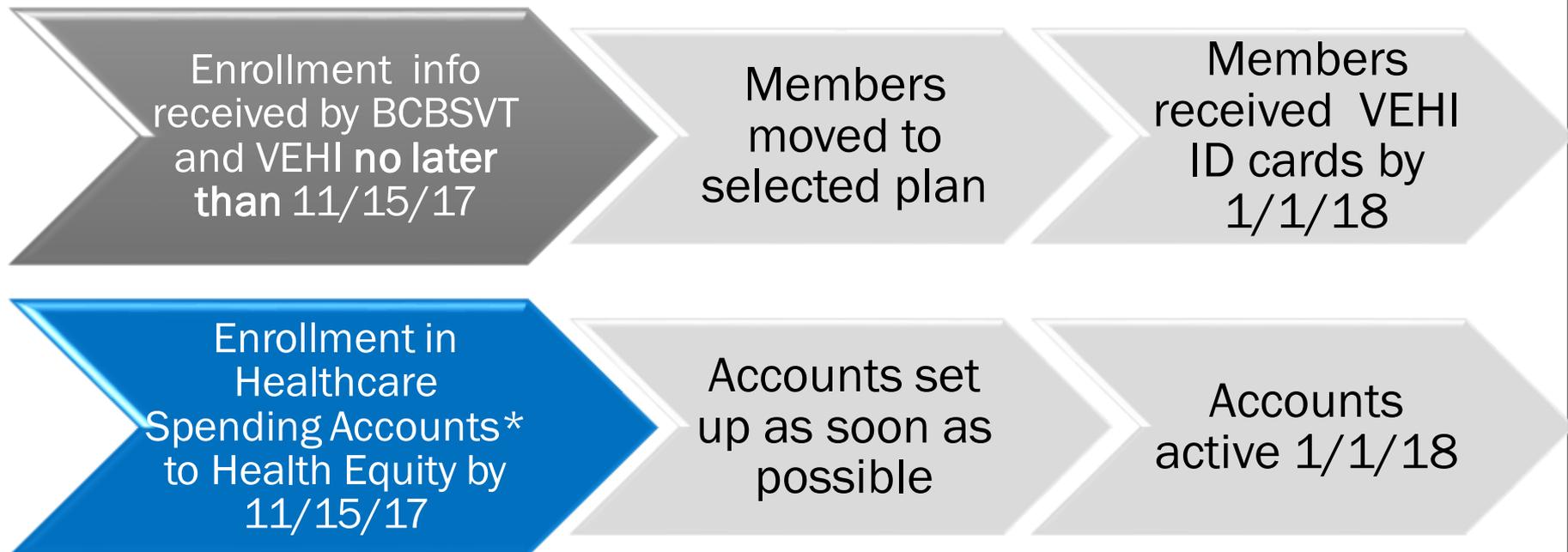
# HealthEquity Employee Experience

- Convenient access
  - Debit card
  - Online
  - Free mobile app
  - Telephone (every hour of every day)
- Use your HealthEquity account to
  - Check your balance
  - Review transactions
  - Review claims
  - Submit new claims or documents
  - Send payments and reimbursements
  - Access tax documents

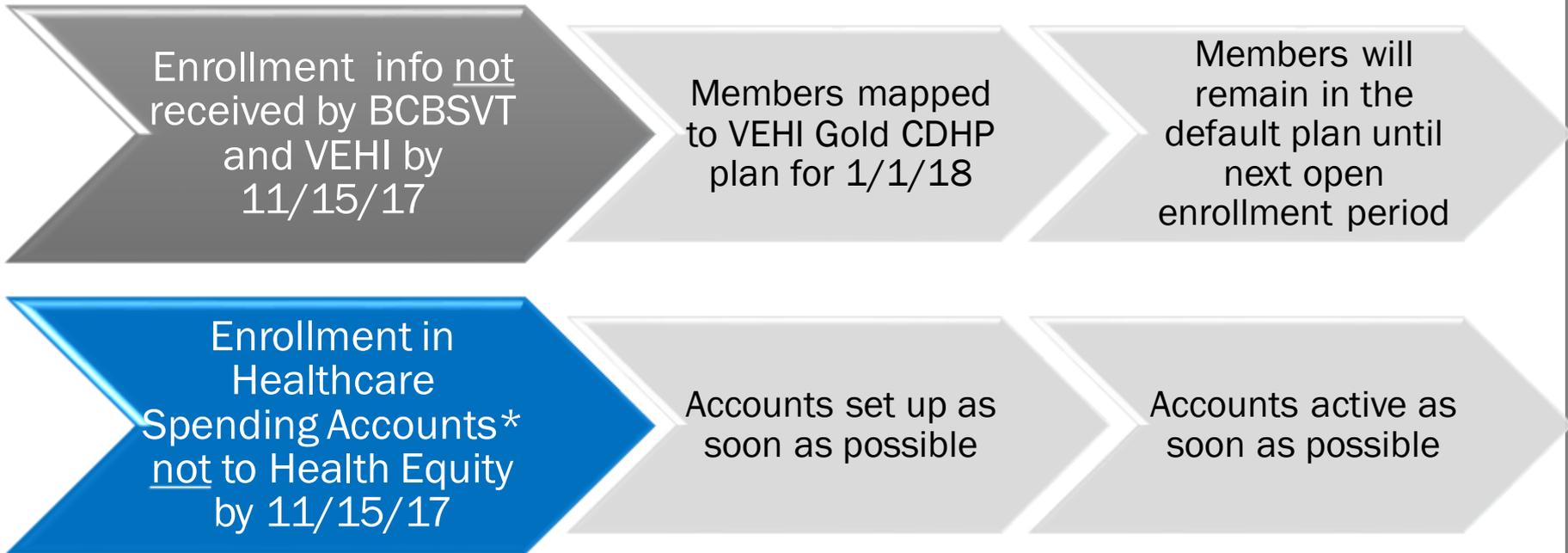


# Timeline and Support

# Enrollment Timeline if Information Submitted by 11/15/17



# Enrollment Timeline if Information NOT Submitted by 11/15/17



\*If negotiated

# Communication and Support

- We will be with you every step of the way to help you with:
  - Education
    - [www.healthequity.com/sales/bcbsvt](http://www.healthequity.com/sales/bcbsvt)
    - [www.healthequity.com/hsalearn](http://www.healthequity.com/hsalearn)
    - [www.healthequity.com/hrlearn](http://www.healthequity.com/hrlearn)
    - [www.comparemyhsa.com/plansetup](http://www.comparemyhsa.com/plansetup)
  - Decision support
  - Enrollment/transition
- Communication will include:
  - Written – mail/email
  - Phone – conference calls, 1:1 discussions
  - Online – Webinars, website articles, newsletters
  - In-person – group presentations, 1:1 meetings when needed
- Use the BCBSVT/VEHI **cost comparison tool** to see how different Healthcare Spending Accounts will effect how your plan works [www.vehi.org](http://www.vehi.org)

# Section 125 Plan

**Changes/additions to your coverage can constitute a need for an amended Section 125 plan.**

- Check with your vendor to know the implications of adding an HRA or HSA and to plan for upcoming changes.
  - Is a change from Fiscal year to Calendar year desired?
  - Will a short plan year be required to shift to a new plan year?
- HRA plan documents will be provided by HealthEquity (upon enrollment) to supplement your Section 125 plan.
- Any offered MFSA, LPFSA or DCRA must be included in the Section 125 Plan document.
  - Adjustments to roll-overs and grace periods may be needed to integrate with an HSA.
- Don't forget to ensure any cash-in-lieu of health care benefit is appropriately documented in the Section 125 plan as well.

# Healthcare Spending Accounts Additional Resources

## VEHI Website

- VEHI HRA and HSA Implementation Guides
- Reference Materials from Gallagher Benefits Services
- Excel Spreadsheet to Model HRA Contributions
- Excel Spreadsheet to Model HSA Contributions
- Future Webinars – “Healthcare Spending Accounts – 201”

## HealthEquity Website

- HealthEquity Sample Applications
- Section 125 Plan Document Supports

# Contact Information [vehi2018@vsbit.org](mailto:vehi2018@vsbit.org)

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HealthEquity  
Member Services  
866-346-5800  
[memberservices@healthequity.com](mailto:memberservices@healthequity.com)

# Appendix

Health Plans	VEHI Platinum Member Cost Share	VEHI Gold Member Cost Share	VEHI Gold CDHP Member Cost Share	VEHI Silver CDHP Member Cost Share
Medical Deductible	\$500/\$1,000	\$1,200/\$2,400	\$1,800/\$3,600	\$3,000/\$6,000
Medical Out of Pocket Maximum	\$1,500/\$3,000	\$1,800/\$3,600	\$2,500/\$5,000	\$4,000/\$8,000
Prescription Deductible	\$0	\$0	Included in medical deductible	Included in medical deductible
Prescription Out of Pocket Maximum	\$1,300/\$2,600	\$1,300/\$2,600	\$1,300/\$2,600 (included in Medical OOPM)	\$1,300/\$2,600 (included in Medical OOPM)
Total Out of Pocket Exposure (Medical and Rx)	<b>\$2,800/\$5,600</b>	<b>\$3,100/\$6,200</b>	<b>\$2,500/\$5,000</b>	<b>\$4,000/\$8,000</b>
Preventive PCP Visit	\$0	\$0	\$0	\$0
Primary Care Physician / Mental Health or Substance Abuse Visit	\$25	\$25	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Specialist Visit	\$35	\$35	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Urgent Care	\$75	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Emergency Room	\$250	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Inpatient, Outpatient, Radiology	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Generic tier 1 / tier 2 / Brand / NP Brand	\$4 / \$10 /\$20 / 50%	\$4 / \$10 /\$20 / 50%	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Wellness Prescriptions	Same as above	Same as above	No member cost	No member cost
Monthly Rates (filed FY 18)	Platinum	Gold	Gold CDHP	Silver CDHP
Single	\$657.55	\$622.94	\$523.29	\$456.34
Two Person (Two Adults)	\$1,315.10	\$1,245.88	\$982.75	\$912.69
Parent & Child(ren)	\$1,099.51	\$1,042.53	\$809.02	\$769.27
Family	\$1,860.19	\$1,763.38	\$1,449.51	\$1,298.60

New Health Plans Cost Overview	VEHI Platinum Cost Share	VEHI Gold Cost Share	VEHI Gold CDHP Cost Share (aggregate)	VEHI Silver CDHP Cost Share
<b>Single</b>				
Maximum Out-of-Pocket Exposure	\$2,800	\$3,100	\$2,500	\$4,000
Annual Single Plan Rate*	\$7,891	\$7,475	\$6,279	\$5,476
<b>Combined Total Exposure</b>	\$10,691	\$10,575	\$8,779	\$9,476
<b>Two Person (Two Adults)</b>				
Maximum Out-of-Pocket Exposure	\$5,600	\$6,200	\$5,000	\$8,000
Annual Two-Person Plan Rate*	\$15,781	\$14,951	\$11,793	\$10,952
<b>Combined Total Exposure</b>	\$21,381	\$21,151	\$16,793	\$18,952
<b>Parent/Child(ren)</b>				
Maximum Out-of-Pocket Exposure	\$5,600	\$6,200	\$5,000	\$8,000
Annual Parent/Child(ren) Plan Rate*	\$13,194	\$12,510	\$9,708	\$9,231
<b>Combined Total Exposure</b>	\$18,794	\$18,710	\$14,708	\$17,231
<b>Family</b>				
Maximum Out-of-Pocket Exposure	\$5,600	\$6,200	\$5,000	\$8,000
Annual Family Plan Rate*	\$22,322	\$21,161	\$17,394	\$15,583
<b>Combined Total Exposure</b>	\$27,922	\$27,361	\$22,394	\$23,583
<b>*These rates are filed, but not yet approved, for FY 18</b>				
<p><b>This chart presents the premium and maximum exposure of out-of-pocket (OOP) costs for each new VEHI plan, and the combined cost of premiums and OOP costs for each plan.</b></p> <p><b>These costs may be shared by the employer and employees as determined by collective bargaining agreements.</b></p>				

VEHI Platinum			Member Cost Share	
Medical Deductible			\$500 / \$1,000	
Medical Out of Pocket Maximum			\$1,500 / \$3,000	
Prescription Deductible			\$0	
Prescription Out of Pocket Maximum			\$1,300 / \$2,600	
Total Out of Pocket Exposure (Medical and Rx)			\$2,800 / \$5,600	
Preventive PCP Visit			\$0	
Primary Care Physician / Mental Health or Substance Abuse Visit			\$25	
Specialist Visit			\$35	
Urgent Care			\$75	
Emergency Room			\$250	
Inpatient, Outpatient, Radiology			Deductible, then 20% coinsurance	
Generic tier 1 / Generic tier 2 <span style="color: red;">(new)</span>			\$4 / \$10	
Preferred / Non-Preferred Brand			\$20 / 50%	
Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) <span style="color: red;">(new)</span>	Family
VEHI Platinum (filed FY 18)	\$657.55	\$1,315.10	\$1,099.51	\$1,860.19
VEHI VHP (FY 17)	\$752.41	\$1,478.99	n/a	\$1,982.66

VEHI Gold			Member Cost Share	
Medical Deductible			\$1,200 / \$2,400	
Medical Out of Pocket Maximum			\$1,800 / \$3,600	
Prescription Deductible			\$0	
Prescription Out of Pocket Maximum			\$1,300 / \$2,600	
Total Out of Pocket Exposure (Medical and Rx)			\$3,100 / \$6,200	
Preventive PCP Visit			\$0	
Primary Care Physician / Mental Health or Substance Abuse Visit			\$25	
Specialist Visit			\$35	
Urgent Care			Deductible, then 20% coinsurance	
Emergency Room			Deductible, then 20% coinsurance	
Inpatient, Outpatient, Radiology			Deductible, then 20% coinsurance	
Generic tier 1 / Generic tier 2 (new)			\$4 / \$10	
Preferred / Non-Preferred Brand			\$20 / 50%	

Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) (new)	Family
VEHI Gold (filed FY 18)	\$622.94	\$1,245.88	\$1,042.53	\$1,763.38
VEHI VHP (FY 17)	\$752.41	\$1,478.99	n/a	\$1,982.66
VEHI \$1,200 (FY 17)	\$601.91	\$1,183.12	n/a	\$1,586.30

VEHI Gold CDHP		Member Cost Share		
Medical Deductible (Aggregate)		\$1,800 / \$3,600		
Medical Out of Pocket Maximum		\$2,500 / \$5,000		
Prescription Deductible		Included in medical deductible		
Prescription Out of Pocket Maximum		\$1,300 / \$2,600 (included in Medical OOPM)		
Total Out of Pocket Exposure (Medical and Rx)		\$2,500 / \$5,000		
Preventive PCP Visit		\$0		
Primary Care Physician / Mental Health or Substance Abuse Visit		Deductible, then 20% coinsurance		
Specialist Visit		Deductible, then 20% coinsurance		
Urgent Care, Emergency Room		Deductible, then 20% coinsurance		
Inpatient, Outpatient, Radiology		Deductible, then 20% coinsurance		
Generic or Brand drugs		Deductible, then 20% coinsurance		
Wellness drugs <b>(new)</b>		No member cost		
Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) <b>(new)</b>	Family
VEHI Gold CDHP (filed FY 18)	\$523.29	\$982.75	\$809.02	\$1,449.51
VEHI VHP (FY 17)	\$752.41	\$1,478.99	n/a	\$1,982.66
VEHI \$1,800 (FY 17)	\$601.91	\$1,183.12	n/a	\$1,586.30

VEHI Silver CDHP		Member Cost Share		
Medical Deductible		\$3,000 / \$6,000		
Medical Out of Pocket Maximum		\$4,000 / \$8,000		
Prescription Deductible		Included in medical deductible		
Prescription Out of Pocket Maximum		\$1,300 / \$2,600 (included in Medical OOPM)		
Total Out of Pocket Exposure (Medical and Rx)		\$4,000 / \$8,000		
Preventive PCP Visit		\$0		
Primary Care Physician / Mental Health or Substance Abuse Visit		Deductible, then 20% coinsurance		
Specialist Visit		Deductible, then 20% coinsurance		
Urgent Care, Emergency Room		Deductible, then 20% coinsurance		
Inpatient, Outpatient, Radiology		Deductible, then 20% coinsurance		
Generic or Brand drugs		Deductible, then 20% coinsurance		
Wellness drugs <b>(new)</b>		No member cost		

Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) <b>(new)</b>	Family
VEHI Silver CDHP (filed FY 18)	\$456.34	\$912.69	\$769.27	\$1,298.60
VEHI VHP (FY 17)	\$752.41	\$1,478.99	n/a	\$1,982.66
VEHI \$1,800 (FY 17)	\$601.91	\$1,183.12	n/a	\$1,586.30