

Arc of Washington County, Inc.

Plan Year: January 1, 2027 – December 31, 2027

What is a **Health Savings Account** – A Health Savings Account (HSA) is a tax-exempt, personal bank account integrated with a qualified High-Deductible Health Plan (HDHP). An HSA account allows individuals to accumulate funds to pay for out-of-pocket medical related expenses on a tax-free basis.

HSA Eligibility – All Full-time Employees working 30 or more hours per week that are enrolled in a Company sponsored HSA qualified health plan are eligible to open an HSA account. All HSA accounts will be established after satisfying the standard waiting period (1st of the month following 60 days of employment).

While all can enroll in a qualified High-Deductible Health Plan (HDHP) there are additional eligibility considerations for opening and funding a Health Savings Account. To be eligible to actively participate in an HSA, you must satisfy the following at your open enrollment and throughout the plan year:



Must be enrolled in a qualified HSA HDHP

Must not be covered by another non-HSA health plan (i.e., also covered by a spouse's non-HSA plan)

Must not be covered by a "General Purpose" FSAs and/or HRAs (even a spouse's FSA / HRA plan)



Must not be entitled to Medicare (entitlement meaning both eligible and enrolled)

Must not be claimed as a dependent on another person's tax return

HSA Advantages



All Health Savings Account contributions are tax deductible, regardless of whether it is pre-tax payroll deductions or after-tax contributions claimed on your Income Tax return.



All HSA disbursements for qualified medical expenses are tax-free. Although individuals may debit funds for non-medical purchases before age 65, participants should be aware that withdrawals are subject to a 20% penalty fee plus the individual's corresponding income tax rate. After age 65, non-medical disbursements are only subject to income tax.



HSAs may be used for all qualified health care expenses. Although not considered subject to the health insurance deductible, participants may elect to use their funds to pay for dental, vision, and over the counter items.



Unlike the "use it or lose it" provision associated with Flexible Spending Accounts, all remaining HSA funds at the end of the benefit year rollover. The rollover provision allows individuals to develop savings for future out of pocket medical expenses. HSAs are portable, if you leave the Company the HSA follows you.

HSA Funding – Each calendar year the IRS determines the maximum contribution limit for Health Savings Accounts. The contribution limit is based on your underlying health insurance coverage level. Participants may elect to contribute funds above their health insurance deductible amount.

2027 Health Savings Account Funding Limits [Employee & Employer Contributions Combined]

Individual QHDHP Coverage	\$4,500.00
Employee Plus Dependent(s) / Family QHDHP Coverage	\$9,000.00
*2027 HSA Catch-up Contribution (Age 55+)	\$1,000.00

2027 Plan Year Employer Contribution

Individual QHDHP Coverage	\$520.00 [Funded \$20.00, Per Pay]
Employee Plus Dependent(s) / Family QHDHP Coverage	\$520.00 [Funded \$20.00, Per Pay]

HSA funds are only available for reimbursement as contributions are made into account (like personal banking). HSA elections are not pre-funded; all transactions greater than the available balance will be denied.

Health Savings Account (HSA)

Important Plan Information

HSA Contribution Changes – HSA participants can elect to make changes to their HSA contribution amount throughout the plan year. Unlike FSA plans participants can start, stop, increase, or decrease contributions while eligible for HSA contributions. Check with your Employer to determine the frequency of when these changes can be made.

Online Account Access – CareFlex provides electronic access to your plan information, plan design, account balance, transaction history, online payments, and more through the **CareFlex Participant Portal** and **CareFlex Mobile App**. Once you register, the same Username and Password are used to access your account through both the portal and the mobile app.

CareFlex Participant Portal – to access the portal, go to the web page: <https://mycareflex.wealthcareportal.com>.

CareFlex Mobile App – CareFlex offers a free mobile app for ultimate “on the go” convenience. Simply search for **CareFlex Mobile App** in the Apple App Store or Google Play.

How to Access Your Funds – Participants can access their HSA funds through use of the **CareFlex Benefits Card**, Online Bill Pay, or by your personal HSA Checkbook.

CareFlex Benefits Card – When paying for health care, be sure to always present your medical ID card first to ensure proper processing of your services. If you are asked to pay at the time of service, you may pay with the **CareFlex Benefits Card**. Once your service has been processed by the health plan compare your Explanation of Benefits (EOB) to the provider bill. Always verify the amount being charged is the same as the patient responsibility on the EOB.

Do not use your CareFlex Benefits Card to pay expenses incurred prior to the effective date of your HSA. Expenses are eligible based on the date of service, not the date of payment. All services incurred after your effective date are eligible for reimbursement / payment from your HSA account, even if at the time the expense was incurred there was not enough funding in your HSA account to cover the expense. These expenses may be reimbursed later when there are sufficient funds in the account (even years later).

Online Bill Pay – Log on to the **CareFlex Participant Portal** to request either a refund from your HSA through the CareFlex Bill Pay functionality or, if preferred, remit a payment directly from your HSA Account to a provider.

HSA Check Book – Participants can order a set of 25 checks linked to the HSA. These checks can be used to make payment to a provider or to reimburse yourself for expenses incurred not using the CareFlex Benefits Card. Please note a set of HSA checks is subject to an \$8.00 fee which is debited directly from your HSA account once ordered.

What to Expect When You Use Your Benefit Card – Documentation supporting your purchase is not required to be submitted for review when payment is made using the CareFlex Benefits Card. Although documentation is not required by CareFlex participants should maintain copies of the supporting documentation (Explanation of Benefits, Itemized Provider statements, receipts from the Pharmacy) as accountholders could be subject to an audit by the IRS. Important Notes: (1) cancelled checks, credit card receipts, and/or non-itemized receipts or statements are not acceptable proof of services.

Eliminate Quarterly Paper Statement Fee – Avidia Bank charges a \$1.95 quarterly fee for printing and mailing paper HSA statements. CareFlex HSA eStatements offer easy access to your account information at no cost. eStatements look and function exactly like paper statements, only they are available for you to view and download from within the **CareFlex Participant Portal**. Enrollment is simple with these easy steps: Log into your account, from the MENU select *Accounts* and then select *My Accounts*, from the Account Resources section select *Statements*, select *Electronic Only*, and click [SUBMIT].

How to Grow Your HSA Account with Investment options – To help maximize the most of your HSA account and plan for the future, CareFlex provides an integrated investment option. HSA accountholders can opt to allocate funds into a variety of mutual funds to grow your HSA Balance. HSA investing requires a minimum balance of \$1,000 in the “core account” before accountholders can start to invest. Accountholders taking advantage of the investment feature will be subject to a \$2.50 monthly fee. Please set your investment funding arrangement accordingly.

Termed Employees – HSA Coverage Ceases Last Day of the Month