

Quick tips for MESSA ABC members



Always give pharmacies and medical providers your MESSA card before paying any bill. It will save you money.

MESSA ABC Plan 1 — Medical and Rx coverage

- With MESSA ABC plans, you have to meet your deductible before MESSA begins to pay your claims.
- Annual checkups, cancer screenings, immunizations, and certain preventive prescriptions are covered at no cost to you when you go to in-network providers.
- The full cost of prescriptions is subject to the deductible. After your deductible is met, you only pay prescription copayments or coinsurance.
- Once you've met your deductible, you may have to pay coinsurance for medical services.
- Out-of-network costs do not count toward the in-network deductible.
- It's important to stay in-network. If you go to in-network providers, the deductible for 2019 is \$1,350 for single coverage and \$2,700 for 2-person and family coverage. The out-of-network deductible is twice as much (\$2,700/\$5,400). Also, you will have lower coinsurance by staying in-network.
- Your deductible resets Jan. 1 every year.
- Routine vision and dental costs do not count toward your MESSA ABC medical deductible.



Use your HealthEquity Visa® HSA card to pay out-of-pocket medical and prescription expenses.

HealthEquity® HSA

- Your health savings account (HSA) is a bank account. This account is separate from your insurance.
- MESSA sends your medical, prescription, dental and vision claims payment information to your HealthEquity HSA electronically for your convenience.
- You can pay your out-of-pocket expenses at the point-of-service using your HSA Visa debit card or you can pay online later from your HealthEquity member portal. Try to avoid paying your doctor at the time of service. It's better to wait until the bill shows up in your online HealthEquity account, once discounts are applied.
- You can use the funds in your HSA to pay for IRS-qualified medical expenses, including your insurance plan deductible, prescriptions, copayments, coinsurance and dental and vision charges. Copayments, coinsurance, dental and vision expenses do not count toward your deductible.
- Put money in your HSA. Employee and employer contributions to your HSA are tax-free.
- Your HSA is yours forever. You don't pay taxes on money you put in your HSA as long as you use it for IRS-qualified medical expenses.

Keys to using your MESSA card and HealthEquity® card

At the doctor

Present MESSA insurance card



Member asks doctor to bill MESSA



MESSA applies discount



MESSA sends explanation of benefits to member and doctor



Doctor will bill member for outstanding balance (deductible, coinsurance)



Member pays doctor using HSA funds or an alternate method (cash, debit card, check, credit card)

At the pharmacy

Present MESSA insurance card



Pharmacy applies discount



Member pays pharmacy using HSA funds or an alternate method (cash, debit card, check, credit card)



Pharmacy sends claim and payment information to MESSA



MESSA applies member payment. No paperwork needed!

QUESTIONS? Call MESSA's Member Service Center at 800.336.0013 or HealthEquity at 877.218.3432.



FAQs on health savings accounts (HSAs)

Q: What is an HSA?

A: An HSA is a tax-favored account that allows the account holder to save and pay for qualified medical expenses tax-free. To open an HSA, you must be in an HSA-qualified health plan (such as MESSA ABC). You can use your HSA to pay out-of-pocket costs, copayments or coinsurance, as well as other qualified medical expenses.

Q: I have a MESSA ABC plan now. Where do I go to start an HSA?

A: When you enroll in a MESSA ABC plan, you also receive a HealthEquity HSA. You will receive a member welcome kit directly from HealthEquity with account information. It is important that you take a few minutes to activate your account online. There are no HealthEquity setup fees or monthly administrative fees for MESSA ABC plan members. Contact your school business office if your group has negotiated another HSA provider.

Q: Who is eligible to contribute to an HSA?

A: To be eligible to open and contribute to an HSA, you must meet the following requirements:

- Be covered under an HSA-qualified health plan on the first day of any month for which eligibility is claimed (*see IRS Publication 969—Health Savings Accounts and Other Tax-Favored Health Plans*)
- Not be enrolled in Medicare
- Not be claimed as a dependent on someone else's tax return
- Have no other insurance except what's permitted by the IRS

Q: Who owns the HSA?

A: The money in the account belongs to you — for the rest of your life.

Q: Who can put money in my HSA?

A: Anyone can contribute to your HSA; however, only the account holder receives deductions on money contributed.

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

A: In 2019, the limits are \$3,500 for individuals and \$7,000 for families. People over the age of 55 can make an additional “catch-up” contribution of \$1,000. These limits are the same regardless of the source of the contribution.

Q: What if I am covered under my spouse's insurance but I want to enroll in one of the MESSA ABC plans and contribute to an HSA?

A: If you are covered under another medical plan that is not HSA-compliant, you are not eligible under IRS rules to contribute to an HSA (*see IRS Publication 969*).

Q: Can I have an HSA AND a flexible spending account?

A: In most cases, no. The IRS has specific rules for insurance plans that are allowed to coexist with an HSA and plans that would disqualify you from owning an HSA.

For specific questions, contact your provider or a financial or tax adviser for guidance.

Q: Can I use the money in my HSA to pay for my children's medical expenses, copayments, coinsurance and deductibles, even if my children are covered by my spouse's non-HSA-qualified health plan?

A: You can use money from your HSA to pay for your child's eligible out-of-pocket expenses if the child is claimed as a dependent on your tax return.

(continued on reverse)



FAQs on health savings accounts (HSAs)

Q: What happens to the money in my HSA if I leave my job or retire?

A: It's your account, so you take that money with you. If you're on Medicare or go to another employer that doesn't have a qualified high-deductible health plan, you can still use your HSA money to pay for copays, coinsurance and qualified medical expenses, but you won't be able to contribute more money to your HSA. If you have a HealthEquity HSA, you will begin paying monthly account fees.

Q: What happens to any money remaining in my HSA at the end of the year?

A: The money rolls over from year to year. You don't lose the money left in your HSA or the interest it has earned.

Q: Can I take the money out of my HSA any time I want?

A: Yes. If you use the money to pay for qualified medical expenses, then you will not be taxed or assessed a penalty. If you take money out for other purposes, however, you'll have to pay income taxes on the withdrawal, plus a 20 percent penalty.

Q: Does the money in my HSA earn interest?

A: Yes, and that interest is tax-free.

Q: Can the money in my HSA be invested?

A: Yes.

Q: Can I roll the money from my IRA into my HSA?

A: Yes. You can make a one-time rollover from your IRA into your HSA. You can't, however, roll money into your IRA from your HSA. Also, a rollover will count against annual contribution amounts.

Q: If my spouse is on Medicare, can I contribute to an HSA?

A: Yes.

Q: What is a qualified medical expense?

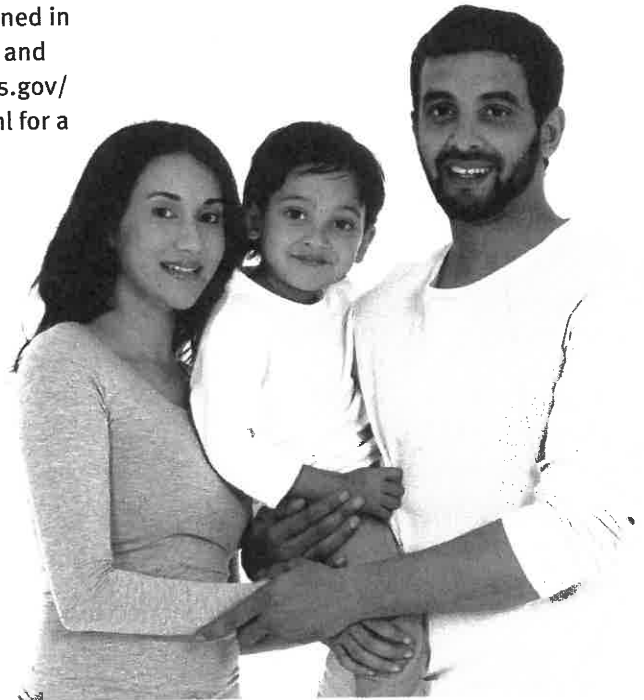
A: Qualified medical expenses are those that would generally qualify for the medical and dental expenses income tax deduction as outlined in IRS Publication 502—Medical and Dental Expenses. See www.irs.gov/publications/p502/index.html for a current list.

Q: Can I use my HSA dollars to pay for medical copayments or coinsurance?

A: Yes, but these expenses will not apply to your MESSA ABC insurance deductible.

Q: Can I use my HSA dollars to pay for dental expenses, orthodontics, contacts and eyeglasses?

A: Yes, but these expenses will not apply to your MESSA ABC insurance deductible.



QUESTIONS? Call MESSA's Member Service Center at 800.336.0013



HSA eligibility and opting out of your HealthEquity® HSA

HSA eligibility:

Under federal law, contributions to a health savings account (HSA) from eligible individuals and contributions made on behalf of eligible individuals by their employers are not taxed. Interest, investment earnings and disbursements from the HSA for eligible medical expenses are also not subject to taxes. In order to enjoy the tax-free benefits of an HSA, employees must be eligible under IRS rules.

To qualify for an HSA, an employee:

- Must be covered by an HSA-qualified high-deductible plan (MESSA ABC plans are HSA-qualified).
- Cannot be claimed as a dependent on someone else's tax return.
- Cannot be covered under any other health plan unless that plan is also HSA-qualified.
- Cannot be enrolled in Medicare or Medicaid.
- Cannot have utilized VA benefits in the three months leading up to enrollment in the HSA plan.
- Generally cannot make contributions to an HSA if she has a medical flexible spending account (FSA) or a health reimbursement account (HRA) that reimburses qualified medical expenses (even if the employee is covered by a high-deductible health plan).

For additional information on eligibility, review IRS Publication 969 at www.irs.gov/publications/p969.

Your HealthEquity HSA:

When MESSA receives your enrollment information for MESSA ABC, we will inform HealthEquity to activate your free HSA account. You will receive a welcome kit and VISA® debit card directly from HealthEquity. Contact your school business office if your group has negotiated another HSA provider.

Opting out of your HealthEquity HSA:

If you are enrolled in a MESSA ABC plan and aren't sure you are eligible to make contributions to an HSA, check with your tax adviser or legal counsel. If you want to opt-out and close your HealthEquity HSA account, call HealthEquity's Member Services department at 877.218.3432.

Medicare and HSA eligibility

I am:



- 65 years old and Medicare eligible
- Not enrolled in Medicare
- Single or married
- Enrolled in single, 2-person or family MESSA ABC
- Not receiving Social Security

Medicare eligibility alone does not disqualify you from contributing, or receiving employer contributions, to an HSA. If you are actively employed and are not receiving Social Security you will not be automatically enrolled in Medicare.



- 65 years old and Medicare eligible
- Single or married
- Enrolled in single, 2-person or family MESSA ABC
- Receiving Social Security, and therefore automatically enrolled in Medicare Part A

You cannot contribute, or receive employer contributions, to an HSA. When you receive Social Security you are automatically enrolled in Medicare at age 65. You cannot decline the automatic enrollment in hopes of participating in an HSA. NOTE: Although no further funds can be contributed to your HSA once you are enrolled in Medicare, any funds that remain in your HSA can still be used to pay for eligible medical expenses on a tax-advantaged basis.



- 65 years old and Medicare eligible
- Married to a spouse who is retired and receiving Social Security and Medicare
- Enrolled in family MESSA ABC

Your spouse's receipt of Medicare benefits does not disqualify you from contributing, or receiving employer contributions, to an HSA. You may also contribute, or receive contributions, up to the 2-person limit.



- 65 years old and Medicare eligible
- Enrolled in Medicare (either voluntarily or automatically)
- Married to a spouse who is not Medicare eligible
- Enrolled in family MESSA ABC

You cannot contribute, or receive employer contributions, to an HSA. However, as long as he is otherwise eligible, your spouse can establish and contribute to an HSA, up to the 2-person limit. Your spouse's contributions will be on an after-tax basis and he cannot accept contributions from your employer. But your spouse can use the HSA funds to pay your eligible expenses (except Medicare Part B & D premiums) even though you are not HSA-eligible. NOTE: Although no further funds can be contributed to your HSA once you are enrolled in Medicare, any funds that remain in your HSA can still be used to pay for eligible medical expenses on a tax-advantaged basis.

Learn more at www.messa.org/MESSAABCs or call MESSA's Member Service Center at 800.336.0013.