

Optima Equity/OptimaFit[®] HSA Plans offered with a Health Savings Account (HSA)

Optima Health Member Frequently Asked Questions

1. What is a Health Savings Account?

A Health Savings Account (HSA) is a savings and spending account that offers members a tax-advantaged way to pay for qualified medical expenses. You can also save for future medical and retirement healthcare expenses. In order to open an HSA, you must be enrolled in a qualified high-deductible health plan (HDHP).

2. What is a high-deductible health plan?

The Internal Revenue Service (IRS) defines HDHPs as plans with a deductible of at least \$1,500 for an individual, or \$3,000 for a family in 2023. HDHPs tend to have higher deductibles than traditional health plans, which often result in a lower monthly premium. Your HDHP can be combined with an HSA allowing you to pay your qualified medical expenses, tax free. Optima Health HSA-compatible plans include "Optima Equity" and "OptimaFit[®] HSA."

3. Who is eligible to open an HSA?

Anyone who is enrolled in a qualified HDHP, is not covered by other health insurance or another spending account like a Flexible Savings Account (FSA) or a Health Reimbursement Arrangement (HRA), not enrolled in Medicare, and cannot be claimed as a dependent on someone else's tax return.

4. Who can contribute to an HSA?

The member or their employer can fund HSAs with tax-deductible dollars.

5. How much can be contributed each year?

For 2023, contribution limits are \$3,850 for individual or \$7,750 for family coverage. HSA holders age 55 or older may also make an additional contribution of \$1,000 per year (totaling \$4,850 for individual or \$8,750 for family coverage).

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These maximums are established by the IRS and are subject to change every year.

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6. Who owns the HSA?

The member owns the account regardless of who contributes. The funds remain in the account and earn tax-free interest over time.

7. What can I pay for with my HSA funds?

An HSA can be used to pay for any qualified medical expense as defined by the IRS. Qualified medical expenses include, but are not limited to: copayments, deductibles, coinsurance, vision care, and dental care. For a list of qualified medical expenses, please refer to IRS Publication 502 at [irs.gov](https://www.irs.gov).

8. What are the benefits of using Optima Equity/OptimaFit HSA, the integrated HSAs that Optima Health offers?

After choosing the Optima Equity or OptimaFit HSA benefit plan, the HSA will be set up automatically during the same enrollment process when the member elects to open an account. Our HSA Partner, HealthEquity, administers the financial portion of the account.

The integrated Optima Equity/OptimaFit HSA solution offers members a simple experience. By signing in at optimahealth.com, then selecting “Health Savings Account,” members have access to the following features all on one platform—the HealthEquity member portal:

- view medical claims
- pay providers
- store claims information to validate expenses
- view account balances

9. What are the benefits of opening an HSA?

HSAs and qualified HDHPs offer an option to save for retirement and pay for qualified medical expenses. In order to determine if an HSA is right for you, compare your various benefit options and evaluate them based on your financial and health situation.

10. How can I use my HSA through Optima Equity/OptimaFit HSA to pay for qualified services?

Account holders can make payments by debit card, online electronic funds transfer (EFT), or by phone. The HealthEquity Portal enables members to manage their account information, see account balances, request reimbursements, or make payments from the account directly to providers.

Paper reimbursement checks to the member are also available for an additional fee. All records are maintained electronically in the HealthEquity member portal for record keeping, tax purposes, or for future payment decisions.

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Experienced HealthEquity member service representatives are available 24/7 at **1-866-346-5800** to answer questions about your HSA or to assist you with phone transactions.

11. What happens to HSA funds if the member changes jobs or retires?

The account belongs to the member account holder. You can keep your HSA even if you change or lose your job, change your medical coverage, or move to another location. You own the account.

12. Can HSA funds be distributed at any time?

Yes, as long as they are used to pay for qualified medical expenses, the money is not taxed. If the funds are used before age 65 for non-qualified expenses, the amount spent will be taxed and incur a 20% penalty. Once the member reaches age 65 the funds can be used for non-qualified expenses, but distributions will be subject to tax.

13. Can a retiree contribute to an HSA?

Yes, if they are covered by a qualified high-deductible health plan and not enrolled in Medicare, another health insurance plan, and are not claimed as a dependent on someone else's tax return.

14. Do members lose HSA funds at the end of the year?

No, the remaining funds roll over into the following year and never expire.

15. Does an HSA earn interest?

Yes, and the interest accumulates tax-free.

16. Can HSA funds be invested?

Yes, once a \$2,000 account balance is achieved, any funds above that amount can be invested.¹ The money contributed into your HSA can earn interest or potential growth through investment returns—your choice. Your money is never taxed if you use it for qualified medical expenses, regardless of your age.

¹ Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, you should carefully consider the investment objectives, risks, charges and expenses of any mutual fund before investing. A prospectus and, if available, a summary prospectus containing this and other important information can be obtained by visiting the fund sponsor's website. Please read the prospectus carefully before investing.

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17. Do I have to pay any additional out-of-pocket costs for wellness and preventive benefits¹?

No, wellness or preventive benefits are paid by Optima Health and are not subject to the HDHP deductible. Most preventive services are covered at 100% of the contracted provider rate.

18. What happens after I open an HSA with my Optima Equity/OptimaFIT HSA plan?

The member account holder will receive the following items from HealthEquity:

- HSA Member Welcome Letter, which lists all of the features of the HSA, including the HealthEquity member services contact information
- Member Guide providing the account holder with information on how to navigate their HealthEquity member portal and manage their HSA
- Visa[®] debit card² with activation sticker and card carrier
- PIN mailer, sent separately, which contains their debit card Personal Identification Number
- Custodial account agreement for their records
- HSA interest rate schedule

19. How do I access my HSA?

Sign in to your secure member account at optimahealth.com. Select "Health Savings Account" from your menu options to navigate to your HealthEquity member portal. If you are registering at optimahealth.com for the first time, you will need your member number from your Optima Health member ID card to create a username and password.

20. Where can I get information on investment funds?

You can obtain investment fund information from your HealthEquity member portal accessed through your secure member account on optimahealth.com.

¹ As defined under the Affordable Care Act (ACA).

² This card is issued by The Bancorp Bank; Member FDIC, pursuant to a license from Visa U.S.A. Inc. Your card can be used everywhere Visa debit cards are accepted for qualified expenses. This card cannot be used at ATMs and you cannot get cash back, and cannot be used at gas stations, restaurants, or other establishments not health related. See Cardholder Agreement for complete usage restrictions.

Optima Health is the tradename of Optima Health Plan, Optima Health Insurance Company, and Sentara Health Plans, Inc. Optima Equity Plus HSA qualified high-deductible PPO health plans are underwritten by Optima Health Insurance Company. Optima Equity Vantage HSA qualified high-deductible HMO health plans are underwritten by Optima Health Plan. Self-funded qualified high-deductible health plans are administered but not underwritten by Sentara Health Plans, Inc. All health plans have benefit exclusions and limitations and conditions of coverage. For costs and complete details about coverage, ask your broker or employer. The information provided in this document is not tax or legal advice. The tax treatments vary for each situation. Please consult your tax or legal counsel for tax implication of your unique situation.