

Health Savings Account (HSA) Plan

FOR ENDOWED FACULTY & STAFF

How the HSA Plan Works: A brief overview updated for 2023

- This is a comprehensive health care plan using the Aetna nationwide network of providers: <http://www.aetna.com/docfind/custom/cornell/>
- A key feature of the plan is a health savings account that operates like Flexible Spending Accounts but the funds rollover year after year, earn interest free of taxation while in the account and can be used tax-free to pay qualified medical expenses.
- Cornell will contribute \$1,000 in January 2023 to the health savings account (if enrollment is outside of open enrollment, Cornell's contribution is pro-rated. Employees can add their own contributions up to \$3,850 (individuals) or \$7,750 (families). Employees turning age 55 during 2023 can enroll in the "catch up" provision and contribute an additional \$1,000.
- By law, the underlying health plan, however, must feature a very high deductible: \$1,500 (individual coverage) or \$3,000 (family), along with other limits set by the IRS. The deductibles are doubled for out-of-network care.
- If covering dependents, you must meet the \$3,000 family deductible before the plan reimburses for medical care with the exception of preventive services.
- Qualified medical care that has not been incurred before the date the H S A is established cannot be reimbursed from the savings account.
- The underlying health plan covers most preventive services at 100% with the exception of a routine eye exam. Cornell is permitted to pay for most of the cost as we do in other health plans. This includes a list of drugs considered preventive in nature by IRS guidelines. Drugs on the OptumRx preventive list are covered at 100%. Please refer to the OptumRx preventive list located at https://hr.cornell.edu/sites/default/files/documents/2023_optumrx_preventive_drug_list.pdf
- The amount you pay in copays for preventive care and your coinsurance is credited to the annual out-of-pocket maximum. Once you've met the out-of-pocket maximum, the plan reimburses at 100% for the remaining calendar year.
- HSA plans cannot be offered to persons who are not covered by a high deductible health plan or double covered under any other health plan, including spousal plans and Medicare.
- You can pay for these qualified medical expenses through an PayFlex HSA Mastercard Debit Card that you will receive after your account is established. You can track your PayFlex HSA account activity online any time, day or night, through your personal, secure Aetna Navigator website at <http://www.Aetna.com> or call Aetna at (877) 371-2007. This is a banking arrangement and fees do apply.
- You may also decide to pay for these expenses out of your own pocket, not using your HSA money, to build up the accumulation in your HSA over the years to take advantage of the tax-free investment growth in the account.

Before you can use the funds in your H S A:

- You must pass the federally mandated Customer Identification Process (CIP) required due to the USA Patriot Act within 90 days of enrolling
- PayFlex, the HSA administrator, is required to verify a person's identity before opening the account.
- PayFlex is required to verify your name, home address, date of birth and Social Security number. (SSN is required to enroll in an HSA)
- Once passed CIP, the HSA is established and both your contributions (if any) and Cornell's can be deposited to the account.

If you don't pass CIP?

- PayFlex will return any contributions to Cornell and the HSA will not be opened
- Failing the CIP is not considered a qualified event under the IRS regulations
- This means you will not be permitted to cancel the HSA and enroll in a different endowed health plan until the open enrollment and you will be covered under the underlying health plan with a high deductible but the account cannot be established.
- You will not be able to make or receive contributions to the HSA.
- New hires or employees experiencing a qualified event, can change health plans within 60 days of the qualified event.

Eligibility

Eligibility for the HSA plan requires that you are:

1. Covered only by an HSA-compatible high deductible health plan.
2. Not covered by any other health plan that is not an HSA-compatible high deductible health plan (including spousal coverage).
3. Not enrolled in Medicare (parts A, B, C, and D).
4. Not participating in a Cornell Medical Care Flexible Spending Account (FSA) (or have a spouse who participates in a general-purpose FSA) at the same time.
5. Do not have an account balance in your 2022 Cornell Medical Care Flexible Spending Account (FSA) on 12/31/22.
6. Not claimed as a dependent on another person's taxes (in the case of a dependent, such dependent must be claimed as a dependent on your taxes in order to qualify for use of your HSA funds).

Eligibility for dual rate premium requires that:

1. both are endowed employees.
2. both are eligible for participation in the endowed health care plan.
3. have dependent children covered by the plan.

The HSA plan may be right for you if you:

- Can afford to pay for current medical expenses as high as the IRS-determined annual deductible in the plan;
- You can also afford to put aside extra savings to build up your health savings account for future use;
- You are willing to follow the restrictive guidelines when using this unusual and challenging plan to access your health care needs.

For more plan details, visit the HSA website:

<https://hr.cornell.edu/benefits-pay/health-plans/endowed-healthplans/aetna-health-savings-account-hsa>

or call HR Services and Transitions Center at (607) 255-3936.