

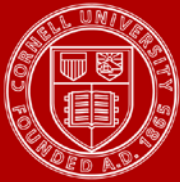


Health Savings Account (HSA) Plan for Endowed Faculty and Staff

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

How the HSA Plan Works: A brief overview updated for 2019

- 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 roll-over 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 2019 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 \$3,500 (individuals) or \$7,000 (families). Employees turning age 55 during 2019 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. Please refer to the OptumRx preventive list located at https://hr.cornell.edu/sites/default/files/documents/hsa_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, in order 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 H S A administrator, is required to verify a person's identify 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 H S A)
- Once passed CIP, the HS A 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 HS A 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 H S A 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 H S A.
- New hires or employees experiencing a qualified event, can change health plans within 60 days of the qualified event.

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-health-plans/aetna-health-savings-account-hsa> or call HR Services and Transitions at (607) 255-3936.