



**RCAB High Deductible Health Plan/Health Savings Account
Frequently Asked Questions
Updated June 2023**

Section A: The RCAB High Deductible Health Plan in General

A1. What is the High Deductible Health Plan (HDHP)?

The HDHP, added by the Health Benefit Trustees effective July 1, 2021, is a Plan with a deductible that must be satisfied before any services (except those considered “preventive”) are covered. In addition, employees enrolled in the HDHP will have a HealthEquity Health Savings Account (HSA) automatically set up for them, which is intended to be used to pay for deductibles and applicable co-insurance. A detailed description of the HDHP is available at catholicbenefits.org/PDF/open_enrollment/2023_hdhp_hsa_flyer.pdf

A2. Is everyone eligible to enroll in the HDHP?

No. The HDHP is only an option for employees and spouses who: (1) are under age 65/not enrolled in Medicare; (2) are not also covered by any other health plan that is not an HDHP; (3) are not claimed as a dependent on another person’s tax return; and (4) do not contribute to or have unspent amounts in their Health Care Flexible Spending Accounts (FSA) or a spouse’s FSA.

A3. If I am enrolled in the Basic or Enhanced Plan and want to switch to the HDHP, what are the main differences between the Plans?

- Deductions from your paycheck will be lower with the HDHP.
- Your deductible and out-of-pocket maximums (OOPM) with the HDHP will be significantly higher.
- You won’t pay any co-pays with the HDHP; care is either covered at 100% (preventive only) or subject to the deductible and co-insurance, up to the annual OOPM.
- You will no longer be able to earn wellness incentives into a Health Reimbursement Arrangement. Instead, an HSA will be automatically opened for you, into which you can defer funds from your paycheck and also earn wellness incentive deposits, up to the calendar year annual maximums.

A side-by-side comparison of the plans effective July 1, 2023 is available at catholicbenefits.org/PDF/open_enrollment/plan_options_summ.pdf.

A4. Does the deductible apply to prescriptions?

Yes, the deductible and co-insurance apply to all prescriptions unless the prescriptions are considered “preventive,” which is limited to a specific list defined by federal law. With the exception of statins for hypertension, most medications are not considered “preventive” if they are prescribed to treat a specific condition, even if they are taken for a long period of time. You should contact CVS at 877-430-8633 to determine if your medication is considered “preventive.”

A5. Are there separate deductibles for prescriptions and other medical services?

No. There is a single deductible, which is tracked by Blue Cross, using files sent to it daily by CVS/Caremark. When you purchase a prescription, the pharmacy will have access to information telling you if you owe out of pocket due to a deductible and/or co-insurance.

A6. What is the best way to keep track of where I am with my deductible and out-of-pocket maximum?

Claims data and deductible accumulations are shared between CVS/Caremark and Blue Cross on a daily basis, so you can use the mobile app or online portal for each (bcbsma.com or caremark.com) to check your status relative to the deductible and the out-of-pocket maximum. Note that medical claims (ex: office visits, surgery, etc.) are not processed at the time the service is provided, and are instead sent later by the provider to Blue Cross. Blue Cross then reviews and pays the claims (or denies them due to any remaining deductible). As a result, a lag of up to several weeks can occur after a medical service is received and when it appears in either the mobile app or online portal.

A7. I am on maintenance medications for diabetes, which I need to take to keep my blood sugar under control. Will these medications be subject to the deductible? Is there any way to save money by getting a 90-day prescription vs. a 30-day prescription?

Yes, these medications will be subject to the deductible. Note that employees and family members enrolled in the HDHP can save money by using mail order or using a 90-day prescription at a CVS retail (vs. filling these prescriptions every 30 days and/or at a non-CVS retail location). For details, call CVS/Caremark at 877-430-8633.

Section B. Health Savings Accounts

B1. What vendor will host my HSA?

The RCAB HDHP uses HealthEquity for HSA recordkeeping. This is the same vendor used for the Health Reimbursement Arrangement accounts with the RCAB Health Plans that are not HDHPs (Enhanced and Basic Plans). HealthEquity can be contacted at myhealthequity.com or (866) 346-5800. HealthEquity will send you a new Visa card and other materials once your HSA has been opened.

B2. How do funds get into the HSA?

If you are enrolled in the HDHP, you can defer funds from your paycheck on a pre-tax basis into your HSA, up to the annual legal maximums (for calendar year 2023: \$3,850 for individual (\$4,850 for age 55+) and \$7,750 for individual +1 or family (\$8,750 for age 55+); for 2024: \$4,150 for individual (\$5,150 for age 55+) and \$8,300 for individual +1 or family (\$9,300 for age 55+)). The legal maximums include both employee and employer contributions. You can also earn \$650 (if enrolled in an individual plan) or \$1,300 (if you and your spouse are enrolled) in HSA contributions for the 2023-2024 Plan Year. For other differences between an HRA and HSA, visit catholicbenefits.org/PDF/2021/health/hra_hsa_chart.pdf.

B3. May I change the amount of payroll deductions going into my HSA at any time?

Yes, you may change the amount you contribute to your HSA through pre-tax payroll deductions at any time, for example to avoid exceeding the legal limit for a specific calendar year or due to a qualifying life event (ex. marriage, birth of child, etc.) that requires a change in your deductions. Your elections are subject to final approval by the Benefits Office. Please note that if you are **starting** HSA deductions, these elections must still be made during the Open Enrollment periods (May/June and December). You are responsible for monitoring and not exceeding HSA calendar year maximums, keeping in mind amounts

you are contributing through payroll deductions and amounts you are earning through Wellness Program activities. Please contact the Benefits Office at (617) 746-5640 for assistance.

B4. Can I deposit funds from other sources into my HSA?

While this option is technically available to you, we do not recommend you do it while actively enrolled in the RCAB HDHP, since the Benefits Office is monitoring payroll deductions and wellness incentive totals to avoid exceeding the annual contribution limits. If you deposit funds from another source and thus exceed the annual legal limits, this would violate IRS rules and result in a tax penalty.

B5. How do I use the HSA dollars once I have incurred out-of-pocket medical expenses?

Within approximately five (5) days after your payroll with an HSA deduction has processed, the funds will appear in your HealthEquity HSA account. (Your payroll provider will send the funds via ACH, which typically process very quickly, sometimes even prior to a pay date.) Alternatively, deposits from completing wellness activities will appear in your HealthEquity account within approximately two weeks after you earn points through the RCAB Health Benefit Trust Wellness Program. You will then be issued a Visa credit card to pay deductibles, co-insurance, and other qualified expenses. You can also pay qualified expenses up front and then submit receipts to HealthEquity for reimbursement.

B6. Can I use HSA dollars to pay for dental, vision, and other expenses?

Employees and spouses who have earned HSA dollars can use them to pay for medical services, prescriptions, dental and vision care, and certain qualified over-the-counter medical expenses. Additional information about what additional expenses are “qualified” is available at catholicbenefits.org/health/wellness.htm under the HealthEquity section – List of IRS Qualified Medical Expenses.

B7. How can I find out my HSA account balance and/or process claims using my HSA?

You can log in to your HealthEquity account – myhealthequity.com – to check your balance. You can also call HealthEquity at (866) 346-5800.

B8. If I am enrolled in the HDHP and earn HSA dollars in one year, will I be able to use the HSA dollars in future years?

Yes. HSA funds can be used to pay for deductibles, co-insurance, and qualified over-the-counter items while you are enrolled in the HDHP and afterwards, and there is no restriction on using the HSA funds within a certain Plan Year. More information is available at catholicbenefits.org/PDF/open_enrollment/2023_hdhp_hsa_flyer.pdf.

B9. Will I still have access to funds in my HSA if I drop the HDHP and/or leave my current employment?

Yes. HSA funds are owned by the employee and are fully and immediately “vested.” Thus, you can also use HSA funds after you disenroll from the HDHP and/or end your employment with your current employer. In addition to paying for deductibles and co-insurance under the HDHP, you can also use HSA funds in the future to pay COBRA premiums (not Continuation of Coverage premiums), long-term care, and Medicare Parts B and D.

B10. Will I need to submit receipts to HealthEquity or the RCAB to document how I am spending HSA funds?

No. You are solely responsible for how you spend HSA funds. Your employer will add information about your HSA deposits onto your W-2 each year, and you will need to complete and file a form 8889 each year you contribute to an HSA. You may want to consult a tax preparer for guidance on this issue.

B11. I want to enroll my 24-year old child in the HDHP, who is no longer my dependent for federal income tax purposes. Is this enrollment permitted?

You are permitted to enroll a child who is not a tax dependent in the HDHP, but you cannot use HSA funds for any of that child's expenses, per IRS rules. The portion of the employer share of the premiums that is applicable to this child will also be considered taxable income to you and will be added to your W-2 at the end of the year.

B12. How can I find out more information about restrictions and tax treatment of HSA funds?

The best resource is the IRS, in Publication 969. [irs.gov/pub/irs-pdf/p969.pdf](https://www.irs.gov/pub/irs-pdf/p969.pdf)

Section C: Health Reimbursement Account Balances

C1. I earned wellness incentives while on the Enhanced Plan, which were then deposited into a HealthEquity Health Reimbursement Arrangement (HRA). What will happen to my HRA dollars?

If you enroll in the HDHP, you cannot maintain both an HSA and an HRA, per federal law. Any employee who switches to the HDHP, effective July 1, 2023 or later, will no longer have access to HRA dollars, the HRA account will be closed, and the HealthEquity HRA card will be deactivated.

C2. How can I find out my prior HRA account balance and/or use those funds?

You can access this information by contacting HealthEquity. For 90 days following the end of your coverage through which you earned HRA deposits, you can pay out of pocket for expenses incurred through your last date of your prior coverage and then contact HealthEquity to get reimbursed.

Section D. Deductibles, Co-Insurance and Out-of-Pocket Maximums

D1. For families who are enrolled in the HDHP, does each family member need to pay the full deductible each Plan Year?

The deductible can work in two ways: (1) two individuals in a family plan can each satisfy the full deductible for the year, which means that there are no deductibles for additional family members for the remainder of the Plan Year; or (2) more than two members in a family can pay towards a deductible, and although none has paid in her/his full deductible, as a family, the family deductible limit is reached, which means that NO family members have any further deductibles for the Plan Year.

D2. For families who are enrolled in the Health Plan, does each family member need to satisfy the OOPM each Plan Year before costs are capped for other family members?

Similar to the deductible question in D1, the OOPM can work in two ways: (1) two individuals in a family plan can each reach his/her individual OOPM for the year, which means that there are no out-of-pocket costs (e.g., deductibles, co-insurance) for additional family members for the remainder of the Plan Year; or (2) more than two members in a family can pay towards the OOPM, and although none has met the individual OOPM, as a family, the family deductible limit is reached, which means that NO family members have any further out-of-pocket costs for the Plan Year.

D3. Could the deductible, co-insurance, and OOPM amounts increase in future Plan Years?

Yes, these amounts could increase or decrease in future Plan Years. Any changes will be described in the applicable Summary of Benefits & Coverage, distributed each year with Open Enrollment materials.

Section E: Miscellaneous

E1. Is the Wellness Rewards Program (reimbursements for wellness expenses such as gym memberships, fitness tracker purchases, etc.) available to employees and spouses enrolled in the HDHP?

Yes, the Wellness Rewards Program is available for these individuals, with reimbursements deposited into the employee's HSA. For more information on the Wellness Rewards program, visit catholicbenefits.org/health/wellness.htm and scroll down to Wellness Rewards.

E2. Since the HDHP requires that a deductible be paid by the employee before the Plan pays most claims, do the exclusion of services that are considered in conflict with Catholic teachings still applicable?

Yes. All current exclusions of services that conflict with Catholic teachings will continue to be excluded under the RCAB Health Plans, including the HDHP. For information about these services, please review the Summaries of Benefits & Coverage currently in effect at catholicbenefits.org/health/healthplan_info.htm.

E3. I have a very specific question about a provider or a health condition for which I am seeking treatment. How can I contact someone at Blue Cross to obtain an answer?

Blue Cross Member Services will be available by phone to answer questions about specific providers, treatment plans, coverage, and benefits at (800) 832-3871.

E4. How can I learn more about making a decision that is right for me?

You are encouraged to review all material posted online at catholicbenefits.org/health/health.htm. You may contact the Benefits Office at (617) 746-5640 or benefits@rcab.org if you have any questions.

These Frequently Asked Questions do not constitute tax or legal advice. You should consult your own advisors for answers to tax and/or legal questions.