QUESTIONS AND ANSWERS
Managing your health savings account (HSA) administered through Kaiser Permanente

These questions and answers will help you get started with your HSA and give you helpful information to use and manage your account.

Getting started

► How do I start using my HSA?
1. Once your employer sets up your HSA, sign on to the Health Payment Online portal at kp.org/healthpayment using your kp.org user ID and password.*† Once you create your security questions and answers, be sure to accept the terms and conditions and Disclosure and Authorization Agreement to activate your account. You will typically have access to your HSA money within 3 days of completing this step.

2. Download an HSA Online User Guide under “Tools & Support” for instructions on managing your account online.

3. Update your profile on kp.org/healthpayment*† to add your email address or mobile phone number, then set your notification preferences to allow you to get important alerts about your HSA by text or email.

4. Download the KP HRA/HSA/FSA Balance Tracker app for your mobile device so you can manage your account from wherever you are. The first time you log in to the app, your temporary username and password will be the same: the first initial of your first name, plus your first name, plus the last 4 digits of your Social Security number.

Understanding your HSA

► What is a health savings account (HSA)?
An HSA is a financial account you can put money in to pay for health care services that are defined as qualified medical expenses.‡ You won’t pay federal taxes on this money,** and you can use it anytime to pay for care. Your account may earn interest, and you can take your money with you if you change jobs or retire.

Have questions? Contact Kaiser Permanente Health Payment Services.

Phone: 1-877-761-3399
Monday through Friday, 5 a.m. to 7 p.m. Pacific time (except holidays)
Email: kp@healthaccountservices.com

► Who is eligible to set up an HSA?
To be eligible for an HSA, you need to meet the following requirements:
• You must be enrolled in an HSA-qualified deductible health plan.
• You can’t be enrolled in Medicare.
• You can’t be eligible to be claimed as a dependent on someone else’s tax return.

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You can’t have additional health coverage that is not an HSA-qualified deductible plan. (There are certain exceptions, including specific injury insurance or coverage for accidents, disability, dental care, vision care, or long-term care.)

You may want to consult with a financial adviser for more information about HSA eligibility.

**How do I set up an HSA?**
If your employer offers an HSA administered through Kaiser Permanente, you can choose to set up an account directly through your employer. Contact your employer’s benefits administrator for details and be sure to let them know how much you plan to contribute to your HSA for the year, so they can manage your payroll contributions.

**What can I use my HSA money for?**
You can use the money in your HSA to pay for types of care that are defined as qualified medical expenses, both for yourself and for your covered dependents. Examples of qualified medical expenses include:

- Eyeglasses and LASIK vision correction
- Hospital visits
- Prescription drugs
- Primary and specialty care visits
- Noncosmetic dental care
- X-rays and lab tests

**Who can contribute money to an HSA?**
You, your family members, your employer, and anyone else can contribute to your HSA. The same maximum limit on the amount you can add to the account each year applies no matter who makes the contributions.

**How much can be contributed to my account?**
For 2017, maximum annual contributions to an HSA are capped at $3,400 for individuals and $6,750 for families. If you’re 55 or older, you can make an additional catch-up contribution of up to $1,000. These amounts may be changed for inflation each year. You can contribute to your account until April 15 following the year for which you want to make contributions.

**What is the deadline for setting up an HSA and making contributions?**
As long as you’re enrolled in an HSA-qualified deductible health plan and meet the other HSA eligibility rules for at least the entire month of December, you can contribute money to your account for that year.

To be eligible to contribute the full annual maximum amount for that year, you must remain HSA-eligible through the end of December of the following year. Otherwise, you’ll only be able to contribute a portion of the annual maximum amount, depending on how many months you were HSA-eligible.

**How do I contribute money to my HSA?**
You have a couple of options for making contributions to your HSA:

- If your employer offers payroll deduction, you can contribute wages to your HSA on a pre-tax basis. Let your employer know how much you wish to contribute to your HSA for the year or if you wish to make changes to your contribution amount.

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You can contribute money online at kp.org/healthpayment.* Just click on the “Make HSA Transaction” button in the “I Want To...” section of the home page to transfer money from your bank account.

To make a contribution by mail, complete a Contribution Form, write a check to Kaiser Permanente, and mail both to:

Kaiser Permanente
P.O. Box 1540
Fargo, ND 58107-1540

The Contribution Form can also be found at kp.org/healthpayment.* Just click “Tools & Support” on the home page.

Are there any administrative fees associated with my HSA?

Yes. There is a monthly account administration fee of $3.25 per account, which may be automatically deducted from your HSA or paid by your employer. If the average daily balance in your account during any month is $2,000 or more, the monthly fee is waived for that month. In the case of a $0 account balance, the monthly administrative fee would continue to add up and be pulled once money is deposited in your HSA. There are no overdraft fees or penalties associated with this, however.

Paying for care

How do I use my HSA to pay for care?

There are a couple of ways to pay for care with your HSA:

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<th>Health payment card</th>
<th>You can use your Kaiser Permanente health payment card as a debit card, either:</th>
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<td>• When you get care, or</td>
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<td>• To pay a bill by mail by writing your card number on the bill and sending it in</td>
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| Reimbursement       | You can pay out of pocket using your own money and get reimbursed from your HSA later. You can request a distribution online at kp.org/healthpayment* or with the KP HRA/HSA/FSA Balance Tracker app. Or you can request a Distribution Request Form to mail in by calling Health Payment Services. |

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How can I track the balance in my HSA or access other account information?

You can access your account information online 24 hours a day, 7 days a week, at kp.org/healthpayment. You’ll be able to view your balance, process transactions, view transaction history, and more. You can also check your account balance and request a distribution with the KP HRA/HSA/FSA Balance Tracker app or by calling Health Payment Services.

Monthly statements providing a year-to-date summary of your HSA activity are available online. If you’d like to receive paper statements, you’ll need to request them and will be charged $1.25 per month.

You will also receive a 1099-SA, detailing your HSA distribution history for the year, and a 5498-SA, detailing your HSA contribution history for the year, for tax purposes.

How can I add or change a beneficiary of my HSA?

You can add or change a beneficiary of your HSA at kp.org/healthpayment by selecting “Add Beneficiary” under “Profile.” Or you can request a Beneficiary form by calling Health Payment Services.

Does my HSA include investment options?

Yes. If your average daily account balance goes above $2,000, mutual fund investment opportunities are available for the amount over $2,000. For your convenience, you can manage your investments online at kp.org/healthpayment. For more information about the options available, call Health Payment Services.

I’m not enrolled in my HSA-qualified health plan anymore, but my HSA is still open. Can I use my account?

Yes. You can keep any money still available in your account and continue using it to pay for care‡ for as long as you keep your account active. And if you have a health payment card, you can still use it to make payments. However, automatic contributions to your account will not continue. And if the monthly administrative fee for your HSA was previously paid by your employer, this fee may now be withdrawn from your account.

You also won’t be able to manage your HSA at kp.org/healthpayment anymore. For online access, you’ll need to visit kp.org/healthexpense. If you have used the KP HRA/HSA/FSA Balance Tracker app, you’ll use your mobile app user ID and password for kp.org/healthexpense. If you have not previously used the mobile app, the first time you sign on to kp.org/healthexpense, your temporary user name and password will be the same: the first initial of your first name, plus your first name, plus the last 4 digits of your Social Security number. After registering, you’ll be able to access the same account information as before. For more information, call Health Payment Services.

What happens to my HSA when I turn 65?

When you turn 65, you can still use the money in your HSA to pay for care. However, you won’t
be able to contribute money to your account once you’re enrolled in Medicare. At age 65, you can also start using your account to pay for things other than medical expenses. Any HSA money used for nonmedical expenses will be taxable as income but won’t be subject to an additional penalty. Those younger than 65 who use their accounts for nonmedical expenses will need to pay income tax plus an additional 20% penalty on the amount withdrawn (unless they are disabled).

번 What if I have an HSA with another financial institution?

You can transfer your available money from your existing HSA administered through Kaiser Permanente using the HSA Direct Rollover-Transfer Form on kp.org/healthpayment. On the home page, click on “Tools & Support.” Or you can choose to have more than one HSA as long as your total contributions don’t exceed the annual maximum set by the IRS. For more information about transferring HSA money, call Health Payment Services.

Your Kaiser Permanente health payment card

Your HSA comes with our debit card — the Kaiser Permanente health payment card — which you can use to pay for care.‡ You should receive your card in the mail by the start of your plan year.

번 Where can I use my health payment card?

You can use your health payment card at Kaiser Permanente facilities and pharmacies. You can also use it at any other provider or facility that accepts Visa debit cards. Keep in mind, though, HSA money can be used only for types of care that are defined as qualified medical expenses.‡

번 What if my health payment card isn’t accepted by a health care provider or facility?

If you have trouble using your card, it may be because it hasn’t been activated or because the provider or facility doesn’t accept Visa debit cards.

If your health payment card isn’t accepted, you’ll need to pay the entire amount out of pocket using another payment method.

You can then get reimbursed from your HSA for that payment by following the instructions under “How do I use my HSA to pay for care?” on page 3.

번 What if I use my health payment card to pay for care that isn’t considered a qualified medical expense?

Neither the IRS nor the U.S. Treasury requires the HSA administrator to keep track of an account holder’s expenses. That means we don’t limit HSA card usage or distribution requests only to qualified medical expenses.

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As an HSA holder, you’ll be responsible for finding out whether a type of care you would like to get is considered a qualified medical expense under the tax laws.** If you use your card or HSA money for a nonqualified expense, income tax will apply. An additional 20% penalty on the amount withdrawn will also apply, unless you’re disabled or 65 or older.

▶ Can I use my health payment card to pay Kaiser Permanente bills that I get in the mail?
If you receive a bill from Kaiser Permanente and wish to pay it using your HSA, write your Kaiser Permanente health payment card number in the payment section of the bill and mail it to the address that appears on the bill. Be sure to keep copies of your Explanation of Benefits (EOBs), bills, and itemized receipts, since you may need to provide these for tax purposes later.

▶ How do I order additional health payment cards?
If you need additional health payment cards, you can order them online or by phone. You should receive 2 cards by the start date of your plan and can order an extra 2 cards at no charge. After this, you’ll be charged $10 for each additional 2-card order. Sign on to kp.org/healthpayment* or call Health Payment Services.

▶ What do I do if my health payment card is lost or stolen?
It’s important to contact Health Payment Services to report any loss or theft of your health payment card as soon as possible. Once you report it, your card will be suspended and you won’t be responsible for transactions after this date.

If you wish to dispute a transaction that has taken place within the last 60 days, contact Health Payment Services to obtain a Debit Card Dispute Form. You will have 21 days to return the form and have the transaction investigated. During the investigation period, you will be given a provisional credit and if the charge is determined to be fraudulent, the credit will remain on your HSA. If the transaction is determined to be valid, the amount will be debited from your HSA.

**The tax references in this document relate to federal income tax only. Federal and state tax laws and regulations are subject to change. Consult with a qualified professional for tax, investment, or legal advice.

Kaiser Permanente health plans around the country, including: Kaiser Foundation Health Plan, Inc., in Northern and Southern California • Kaiser Foundation Health Plan of Colorado • Kaiser Foundation Health Plan of Georgia, Inc., Nine Piedmont Center, 3495 Piedmont Road NE, Atlanta, GA 30305, 404-364-7000 • Kaiser Foundation Health Plan of the Northwest, 500 NE Multnomah St., Suite 100, Portland, OR 97232

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