

Sterling HSA How To Document



What you've always wanted to know about HSA's but weren't sure how to ask!

- **In what form can you take distributions from your HSA?**

There are four ways to take distributions:

- 1) Ask Sterling to pay your medical bills to your provider and/or to yourself if you paid the bill directly using a disbursement form available at www.sterlinghsa.com
 - 2) Use your debit card (if you requested one)
 - 3) Move funds to your checking or savings account online (you must have registered your account online to do this)
 - 4) Request a wire transfer.
- **What kind of statements will you receive in connection with your HSA?**

Sterling HSA will send you a quarterly statement showing the activity in your HSA account. In addition, you can check your account balance and activity at any time after you have registered online at www.sterlinghsa.com

1. Are Sterling HSA debit cards automatically issued when an HSA is established?

- No. Debit cards are optional and not sent unless requested on the enrollment application form.

2. I have requested a Sterling HSA debit card. When will I receive it?

- Please allow 2 weeks from the time the application is entered into the Sterling HSA system.

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- 3. I have received my Sterling HSA debit card in the mail. How many cards will I receive?**
- Unless otherwise requested, two Sterling HSA debit cards are issued per HSA in the account holder's name. **How do I order additional Sterling HSA debit cards?**
 - To order additional debit cards, simply complete the debit card request form available on the forms page of the Sterling HSA website at www.sterlinghsa.com and fax or mail it to the Sterling office.
- 4. When I get my Sterling HSA debit cards, do they require activation?**
- Yes. Once a card is received, it must be activated by calling the number indicated on the card or visiting the website noted on the card. Funds in your HSA (up to a \$500 per day limit) will be available on your card (account balance permitting). You can raise the daily limit by calling Sterling customer service toll free at (800) 617-4729. A minimum balance of \$50 must be left in your HSA account at all times and will not be available to spend on the debit card.
- 5. When I go to my doctor's office, do I tell them I have an HSA?**
- You may, but it is not necessary. You have an HSA compatible health insurance plan which entitles you to the same provider network and discounted rates that your healthcare provider has negotiated for their members. You do have an HSA, but an HSA is a financial vehicle and telling your doctor you have one is like telling him/her you have a 401K. You should show your doctor your health plan card.
- 6. What do I do when I go to the doctor?**
- Give your health plan card (Blue Cross, Blue Shield, Aetna etc.) to your doctor.
 - Your card entitles you to the same provider network and discounted rates that your health plan has negotiated for all other members.
 - The doctor is contractually obligated to send your claim to your health plan to be reviewed prior to you having to pay for services rendered
 - With the possible exception of preventative care (as defined by your health plan document) you should not have to pay a co-payment while at the doctor's office until you have satisfied your deductible.

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- Once your claim is reviewed by your health plan, you will receive an Explanation of Benefits (EOB) form

The EOB will show you:

- How much the doctor billed your health plan
- How much your health plan will pay the doctor
- If your annual deductible has been met
- The balance that you owe the doctor

7. Once I get my EOB, how to I pay the amount due? You have three options:

- 1) Use your debit card. Many EOBs allow you to write in your 16 digit HSA debit card number and expiration date. You can do this by returning the EOB/invoice to your doctor. You should then fax your EOB or receipt to Sterling for scanning and archiving.
- 2) Have Sterling pay the provider. Fax or mail the EOB to Sterling with a request for disbursement form (available on the forms page of our website at www.sterlinghsa.com) and we will pay the provider from your HSA funds directly.
- 3) Write a personal check. Pay the provider the EOB amount due and then submit a request for disbursement and we will reimburse you directly. You may also reimburse yourself online. You should then fax or mail in your EOB or receipt to Sterling for scanning and archiving.

8. What do I do if my doctor refuses to file a claim with my health carrier and requires payment upon service?

- If a doctor is a contracted doctor with a health plan's network the doctor's contract states that he/she cannot require payment until the patient has received an Explanation of Benefits (EOB) from the health plan.
- The doctor's office should call your health plan customer service or broker's office if this situation arises.

9. What is the normal lag time between going to the doctor and having the claim paid by Sterling?

- Once the EOB is received by Sterling HSA, the payment process takes 5 business days to process. For faster reimbursement, our online banking allows funds transfer from your HSA account to your personal checking account at no charge

10. How do I pay for prescription medicine?

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- Show your health plan card (Blue Cross/Blue Shield, Aetna etc.) to your pharmacist to get your health plan discounted rate.
- If you did not ask at your doctor's office, you may want to ask if there is a generic equivalent to your prescription and what the cash price would be for your prescription if you had no insurance. In some cases the cash price may be less than the discounted rate.
- The pharmacist will charge you for your prescription at the discounted rate your healthcare provider has negotiated – usually 40-60% discount. Until your annual deductible is met, there is no co-payment. You pay 100% of the negotiated price. When you meet your deductible, then your co-payments or co-insurance takes effect. Should you meet your out-of-pocket maximum for the calendar year, you should have no additional costs for prescription medication.
- To pay for your prescriptions. you have several options:

Pay with your Sterling HSA debit card. Then mail or fax your receipt(s) to Sterling HSA to scan, archive and file for you in the event of an IRS audit. Note: Some health plans also require that you send them the original receipt and a claim form so that they can credit your prescription drug costs towards your annual deductible. Check with your health plan regarding this.

Pay with a personal check or credit card. Go online and transfer funds into your personal checking account. Fax your EOB or receipt to Sterling for scanning and archiving.

Go online prior to going to the pharmacy and transfer funds from the HSA to your checking account if the negotiated rate is known. Fax or mail your EOB or receipt to Sterling for scanning and archiving.

Fax or mail your receipt(s) to Sterling HSA along with a request for disbursement form (available at www.sterlinghsa.com) under the forms section, and we will reimburse you directly. Sterling will also scan and archive all paperwork for you and provide those files to you in the event of an IRS audit. Sterling has advised clients when a bill does not appear to conform to IRS regulations. In every case, we have followed the clients' wishes regarding payment or non-payment.

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11. How do I pay for an expense incurred outside of my provider network?

To pay for an out-of-network expense with HSA funds, you have four options:

1. Pay with a personal check or credit card. Go online and transfer funds from your HSA into your personal checking account. Fax or mail your EOB or receipt to Sterling for scanning and archiving.
2. Pay with your debit card at the point of service.
3. Go online prior to incurring a known expense and transfer funds from the HSA to your personal checking account etc. if the negotiated rate is known. Fax or mail your EOB or receipt to Sterling for scanning and archiving.
4. Fax or mail your receipt(s) to Sterling HSA along with a disbursement form (available at www.sterlinghsa.com) under the forms section, and we will reimburse you directly.

12. If I have a domestic partner, can I contribute to or use my HSA funds for him/her?

- Yes, but only if the partner is claimed as a dependent under IRS rules HSAs are a Federal program and as such, are covered by the Family Protection Act which does not recognize domestic partnerships even if the state of residency does. So in the state of California, for example an employee's domestic partner could be covered under the employee's health plan however, the employee is limited to a single HSA contribution (assuming there are no dependent children). The employee cannot use his or her HSA funds for the domestic partner's expenses (even if qualified) without being taxed and penalized. The only way for a domestic partner to be a recognized dependent for Federal tax purposes is if the partner qualifies as a legal IRS dependent. The IRS defines what constitutes a dependent for tax purposes

13. Can I spend my HSA dollars on qualified expenses for my spouse and/or dependents?

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- Yes. Even if you have single health plan coverage through your employer which would limit you to a single HSA contribution (vs. family), you can still use your HSA dollars for qualified expenses for your spouse and/or dependent children.

14. What happens if I spend my HSA dollars on an expense that is not qualified?

- Reimbursement made for non-qualified expenses are subject to a 10% penalty and taxed at the accountholder's tax rate. Sterling has advised clients when we have received receipts that appear to be in non-conformance with IRS regulations. However, we recognize that these accounts are the responsibility of our clients, and we execute their wishes completely.

15. If I go out of Network, will 100% of my expenses go towards my deductible?

- Generally speaking, the portion of the out of network expense that the medical carrier allows either UCR (usual customary and reasonable) or a fee schedule is applied to the member's deductible. The member who utilizes an out of network physician is required to pay the full billed amount. Then, the member may send a claim to the health plan to have the charge applied to the deductible. Anything over what the health plan allows is an out of pocket expense.

16. Can I use my debit card to pay for expenses in excess of my current HSA balance?

- No. Expenses that exceed your current HSA balance cannot be paid using your Sterling HSA debit card. The debit card is not a credit card, but rather a debit card tied to your current HSA balance. In this situation you have a couple of options:
 - You pay the total cost and as contributions are deposited into your account, you reimburse yourself.
 - You pay the doctor what is in your HSA and arrange for a payment plan. If you know your employer is making a contribution each month, most doctors will allow a payment plan because they know they will receive payment.

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17. If I or my spouse have a healthcare Flexible Spending Account (FSA) can we run all of our medical expenses through the healthcare FSA to maximize our HSA balance?

- Not at the present time. If your employer (or your spouse's employer) offers a healthcare Flexible Spending Account (FSA) then "Stacking Rules" apply. These rules depend on whether or not your employer has a "Limited Purpose Provision" in their healthcare FSA plan document. The "Limited Purpose Provision" only affects those employees with an HSA.
- If your employer has a "Limited Purpose Provision" in their healthcare FSA plan document, then you can use your FSA dollars for any **non-medical** expenses such as dental or vision without touching your HSA funds. All medical expenses must be paid using HSA funds until your annual deductible is met. Once your annual deductible is met, you can use FSA funds for medical expenses.
- If your employer does not have a "Limited Purpose Provision", then you may not have an HSA.

18. Do I have to spend all my HSA dollars each year?

- No, that is the advantage of an HSA. Any remaining HSA funds in your account whether contributed by you or your employer, rollover to the next year and continue to grow with interest tax free on a federal basis. The taxation of HSA contributions and interest earned for state income tax purposes varies based on your state of residence.

There is no time limitation as to when to take a distribution from your HSA account. You are not required to withdraw any HSA funds and at your death, your HSA funds will pass to your beneficiary.

19. Can I view my account information online?

- Yes. When you receive your Sterling HSA "Welcome Letter" it will include your new HSA account number. Please make a note of this number as you will need it to register online. (If you forget, just call us at 800 617 4729).
 - Go to www.sterlinghsa.com
 - Click on **register online**
 - Select Accountholder, Employer, or Broker
 - Input your account number (accountholder or group) or broker license number
 - Follow the on screen directions
- **Finally, why should I do business with Sterling HSA?**

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Sterling HSA does only one thing: administer health savings accounts in a manner that helps our clients save more of their money for present and future healthcare needs. We use our deep experience in medical insurance in reviewing medical bills and paying the correct amount on behalf of our clients. We care deeply about our client's experience, so we offer a money back guarantee in the rare event we disappoint. And because we believe in choice, we give our clients not only a choice in the pricing of our services, but also a wide choice in investment vehicles. Finally, we provide tools to help our clients understand how much to contribute to their account, transact business online, archive their healthcare receipts, and view their account activity at any time.

For additional questions please call our toll free customer service number at (800) 617-4729 from 8am -6pm (PST) or email us at

customer.service@sterlinghsa.com

You can also visit our Web site at www.sterlinghsa.com

Thank you for choosing Sterling HSA!

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