



# Health Savings Account Declaration of Understanding

I, the undersigned policyholder, or authorized representative of the policyholder, make this declaration of understanding that I acknowledge that I have chosen to offer a high deductible health plan (HDHP) to covered employees. Covered employees may choose to pay for qualified medical expenses using a health savings account established pursuant to § 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. §223). This declaration of understanding is being made upon issuance or renewal of an HDHP. I shall retain a signed copy for my records.

## Covered Services/Deductible Applicability: Medical and/or Prescription Drug Benefits

The following is an HDHP overview. Consult your plan documents to determine governing contractual provisions, including procedures, which health care services are covered and to what extent, and exclusions and limitations relating to the plan being offered.

- The HDHP provides payment for covered preventive care services like routine screenings, physicals and immunizations, not subject to the deductible.
- The HDHP does include deductibles — a set amount of expenses the member will pay for covered medical services and supplies under the medical plan and/or pharmacy benefits (if covered by a pharmacy rider) each year before the medical benefits plan begins to make payment. The medical plan may include separate deductibles for in-network and out-of-network services. Consult your plan documents for further information.

**Note:** If the HDHP provides prescription drug benefits, the member will pay the cost of the prescription(s) until the deductible has been met. When the member fills the prescription(s) at an Aetna participating pharmacy, the member may pay a lower out-of-pocket amount, because Aetna has negotiated pricing on behalf of its members.

- When the deductible is met, the HDHP will provide coverage for covered medical services and supplies under the medical plan and/or prescription benefits (if covered by a pharmacy rider) incurred, less any applicable copayment or coinsurance (a percentage of the provider's negotiated charges), each time the member seeks care from a preferred (in-network) doctor or facility. Each time the member seeks care from a non-preferred (out-of-network) doctor or facility, he or she may experience a higher coinsurance (a percentage of the covered charge) and the provider may balance bill the member for the remaining charge. Consult your plan documents for further information.
- The HDHP does include an out-of-pocket maximum — a cap that limits the amount the member will pay for covered medical services and supplies under the medical plan and/or prescription benefits (if covered by a pharmacy rider) in a given year. All amounts paid as deductible, copayment and coinsurance shall count toward the out-of-pocket maximum. When the out-of-pocket maximum has been reached, the member has no further obligation to pay any amounts as deductible, copayment and coinsurance for covered medical services and supplies under the medical plan and/or prescription benefits (if covered by a pharmacy rider) for the remainder of the year for preferred (in-network) or, if any, up to the annual or lifetime benefit maximum for non-preferred (out-of-network) care. Consult your plan documents for further information.

## Policyholder Responsibility

- You, as the employer, are not responsible or liable for your employee's HSA account once it is opened. The employee owns and retains your contributions to his/her account as soon as the funds are deposited, even if he or she changes jobs or health insurance plans. The employer, the covered member or an eligible family member may make contributions to the HSA. There is no minimum amount required to establish the account or earn interest, but there is an annual maximum contribution permitted as specified by the IRS. Since both employees and employers can make contributions to the HSA, it is important to coordinate contributions to avoid excess contributions and tax penalties.
- If you, as the employer, make contributions to the HSA, you must make comparable contributions to all employees' Health Savings Accounts (unless made through a Section 125 plan). Consult your tax advisor for further guidance.
- It is important to note that if you, as the employer, make contributions to the HSA through payroll deductions, these contributions are generally made using pre-tax dollars (money that has not been subject to income tax). Pre-tax employer and/or employee contributions are treated as employer contributions, and the employee cannot deduct employer contributions on his or her federal income tax return as HSA contributions. Contributions to the HSA using post-tax dollars (money that has already been subject to income tax) by the employer, employee or eligible family member are tax-deductible by the covered employee.
- You, as the employer, are not required to determine whether HSA distributions are used for qualified medical expenses. Individuals who establish HSAs should maintain records of their medical expenses to show that the distributions have been made exclusively for qualified medical expenses. Distributions of an HSA are between the account holder and the IRS.

## Claims Processing

- If the covered member and/or their dependents use a preferred (in-network) provider, the provider will initiate the payment claim process with Aetna, and the member typically pays nothing during time of care unless a copayment or coinsurance amount is required. Aetna's medical systems will interface with the provider and automatically process the claim.
- If the covered member and/or their dependents use a non-preferred (out-of-network) provider, the provider will initiate the payment claim process with Aetna unless the covered member and/or their dependents elect to file their own claims.
- In both instances, the member and provider will receive an Explanation of Benefits (EOB) or Explanation of Payment (EOP). To check claim status and view EOB statements, Aetna members can access the secure member website at **www.aetna.com**.
- Amounts not covered by the HDHP may be the responsibility of the member. When the member and/or their dependents have a qualified expense (e.g., doctor visit, prescription refill), the member can choose to withdrawal money from his/her HSA using his/her debit card or checkbook (if applicable), tax free, to be reimbursed for this out-of-pocket expense. Or, the member can choose to pay out of pocket and save the HSA for future qualified health related expenses. Any unused dollars roll over year after year.

By signature, I acknowledge my receipt and understanding of this declaration. If I am not an individual policyholder, I certify that I am a party authorized to represent the group policyholder. I will forward a signed copy of the declaration to Aetna and retain a signed copy for my records

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Signature

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Print Name

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Title (if applicable)

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Date

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Customer Name

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Group Number