

# Aetna HealthFund<sup>®</sup> Health Savings Account

**Take control of  
your health care  
and your health  
care dollars!**

Small Group  
41.02.326.1 B (9/08)

We want you to know<sup>®</sup>



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# The Aetna HealthFund Health Savings Account (HSA)

## A new way to manage your health and your health care expenses

With the Aetna HealthFund HSA,\* you get more control over how you spend or save your health care dollars. With an integrated Aetna HealthFund HSA, you get the protection of an Aetna HSA-compatible High-Deductible Health Benefits and Insurance Plan (HDHP); PLUS you get a tax-advantaged health savings account that you can use to help pay for qualified expenses.

## Why choose an Aetna HealthFund HSA?

- No set-up fees
- No monthly administration fee
- No withdrawal forms required
- Convenient access to HSA funds via Visa® debit card that you may use when visiting your health care provider or pharmacy
- No fees for investment transactions
- 24/7 live customer service
- Ability to manage your account online or by phone
- Track HSA activity through the Aetna HealthEquity website
- Ability to pay providers or transfer money online to your own personal checking account via the Aetna HealthEquity website once you receive your Explanation of Benefits (EOB) from Aetna

## How to establish an HSA

- Enroll in an Aetna HSA-compatible HDHP. Please note that Aetna HDHP plans for individuals and families are not guaranteed issue and require medical underwriting. (Federally eligible individuals under HIPAA according to state legislation may have access to special guaranteed issue products.)\*\*\*
- Sign up for the Aetna HealthFund HSA, which is administered by HealthEquity, a personal health care financial services company that specializes in HSAs. Your account can be opened at any time once enrolled in a qualified HDHP. However, IRS regulations stipulate that you cannot use funds to reimburse yourself or pay providers for services incurred prior to the set-up date of your HSA back account.

Therefore, it is recommended that the HSA is set up to coincide with the effective date of your qualified HDHP.

- Once enrolled in the HSA, you will receive an HSA welcome kit which explains how to set up the HSA with HealthEquity.
- You, your employer or an eligible family member — or any combination — may make HSA contributions up to the annual limit at any time throughout the year.
- Employers (if applicable) may make contributions to the account through regular payroll deductions, in a lump sum amount or via periodic contributions.

## How to use the account

- You will be provided with an HSA Visa® debit card.\*\*
- Use the HSA Visa debit card for instant access to HSA dollars to pay for qualified out-of-pocket expenses quickly and easily.
- You can also have the option to pay expenses out-of-pocket and let your HSA grow and earn interest for future qualified expenses, including certain retiree health expenses.
- Manage your medical records with a click of a mouse through the Aetna HealthEquity website, where you can make payments from your HSA, reimburse yourself from your HSA, create and manage future payment schedules, and contribute to your HSA.
- You own your HSA, so you keep it, even if you change health benefits or insurance plans or jobs. At the end of each year, money left in the account rolls over to the next year.

\*\*\*HSA-compatible HDHP options are not available to Aetna Individual members (individuals whose insurance is not employer-sponsored) in all states. Contact your broker or Aetna representative for more information.



## "Qualified Expenses" under your HSA

You may use your HSA for qualified health-related expenses as allowed by the IRS. Some expenses may not be covered by your health benefits or insurance plan, but are considered "qualified expenses" for payment with HSA dollars. The following list provides some typical examples:

- Medical deductibles
- Diagnostic services not covered by your plan
- Braces
- Long-term care premiums
- LASIK eye surgery
- COBRA premiums
- Dental care
- Contact lenses
- Some nursing services
- Hearing aids
- Wheelchairs
- Organ transplants
- Over-the-counter drugs
- Premiums while receiving federal unemployment compensation
- Medicare and Medicare Advantage premiums

**Note:** Employees should check their Summary Plan Designs to determine what is/is not covered under their plan.

For additional information about IRS-allowable expenses, you can review a list of allowable expenses on Aetna Navigator or request a copy of IRS Publication 502 by calling 1-800-829-3676 or visiting the IRS website at [www.irs.gov](http://www.irs.gov) and clicking on "Forms and Publications."

\*HSAs are not available to HMO members in Illinois.

\*\*HSA Visa debit card cannot be used at an Automatic Teller Machine (ATM).

# Put the Aetna HealthFund HSA for Small Group to work for you

## Aetna Health Savings Account ... the choice is yours

- Contribute tax free
- Reimburse qualified expenses tax free
- Save for future expenses
- Grow the account with tax-free interest

# 1

### 1. The HSA

- Each year, choose the amount you wish to contribute to your HSA.
  - > Contribute to your HSA through payroll deduction (if available), check payment or electronic funds transfer (EFT) directly to HealthEquity.
  - > Make contributions anytime, in any amount up to the maximum allowed. If your contributions were done on an after-tax basis, you can claim your total contributions as a deduction on your taxes.
  - > There is no minimum contribution.
  - > The 2009\* annual maximum contribution is \$3,000\* for individual coverage/\$5,950 for family coverage regardless of the HDHP deductible.
  - > If you do not contribute the annual maximum amount to your HSA in any year, you typically have until April 15th (or whenever you file your taxes, whichever is earlier) of the following year to make additional contributions up to that maximum.
  - > You may contribute for a full year to the HSA, even if you join mid-year, provided that you continue to be eligible for HSA contributions by being enrolled in a qualified HDHP plan for a full 12 months following the last month of the year in which the contribution was made. For example, if you enrolled in a qualified HDHP on 4/1/08 and contribute

your statutory max, you have to remain in a qualified HDHP all of 2009. Failure to maintain such coverage may result in an income tax and a 10 percent penalty on contributions made.

- > Individuals and their spouses who are age 55 and over may make an additional "catch-up" contribution of \$900 in 2008 (this amount increases \$100 per year until 2009 when it will be \$1,000). If you are age 65 or over and enrolled in Medicare Part A or B, your HSA may remain open, but no additional contributions can be made to the account.
- > You can use the Aetna Navigator® personalized member website to view your own Health History Report. This is a new feature that provides you with a centralized, easy-to-use summary of your claim-based, health-related activity. Information in your Health History Report is organized by health-related category, making it easier for you to manage your health care.
  - > You may use your HSA Visa debit card to instantly access your account funds to pay for your qualified expenses (including your deductible and coinsurance payments). Using the Visa debit card means no waiting for reimbursement. Or, you can choose to pay out of pocket and save your HSA dollars for future qualified expenses.
  - > Your HSA can grow over time! Your funds will earn interest tax free. There is no minimum balance required to earn interest.
  - > At the end of the year, any remaining dollars roll over.
- Once your Aetna HSA balance reaches \$2,000, you will have the HSA Investments Service available to you. The HSA investment options available are:
  - Baron Small Cap Fund
  - Dodge and Cox:
    - > Income Fund
    - > International Stock Fund
  - Dreyfus:
    - > Appreciation Fund
    - > Small Cap Stock Index Fund
  - Fidelity:
    - > Blue Chip Value Fund
    - > Capital Appreciation Fund

## The HSA-compatible high-deductible health benefits and insurance plan

- Preventive care may not be subject to the deductible
- Meet the plan deductible
- Then, pay copay or coinsurance
- Out-of-pocket maximum limits the amount you pay annually

- Harding Loevner Emerging Markets Fund
- Laudus International Market Masters Fund
- Royce Total Return Fund
- T. Rowe Price Equity Income Fund
- Vanguard Large Cap Index Fund

### 2. The HSA-compatible high-deductible health benefits and insurance plan

#### Your medical benefits

- You may visit any licensed health care professional or facility for covered services.
- The plan includes a deductible — a set amount of expenses that you pay each year for covered medical services and prescription drugs before the plan begins to make payment. The plan may include a separate deductible for in-network and out-of-network services.

\*2009 maximums will be adjusted for cost of living in future years.



- The plan may provide payment for covered preventive care services like routine screenings, physicals and immunizations not subject to the deductible.
- When the deductible is met, you pay a copay or coinsurance (a percentage of the provider's charges) each time you seek care from a preferred (in-network) doctor or facility, and a higher coinsurance each time you seek care from a non-preferred (out-of-network) doctor or facility.
- Your medical plan includes an out-of-pocket maximum — a cap that limits the amount you pay for covered services in a given year. When your costs reach this limit, remaining qualified expenses including prescription drugs are covered by the plan at 100 percent, up to the annual or lifetime benefit maximum.

#### Your prescription drug benefits

- When you fill prescriptions, you will pay the cost of your prescriptions until the deductible has been met. With Aetna participating pharmacies, your price may be lower because we have negotiated pricing on behalf of our members.
- When the deductible is met, you may pay either a copayment or coinsurance for each prescription you fill that is covered by your plan.

## Online resources

- Secure, personalized online services with Aetna Navigator and the Aetna HealthEquity website
- Track your HSA activity and monitor your savings growth
- Find a doctor, estimate the cost of care, compare hospitals
- Research health topics and medications

### 3. Online resources to help you manage your health care

Aetna gives you the information and resources needed to help you take a more active role in your health care and spend your health care dollars more effectively.

- The Aetna HealthEquity member website, <http://aetna.healthequity.com>, allows you to:
  - > Manage your HSA
  - > See real-time balances
  - > Reimburse yourself
  - > Make payments from your HSA directly to the provider
  - > Schedule one or more payments in advance
  - > Set up electronic funds transfers

For more information about your Aetna HealthFund HSA with HealthEquity, please contact Member Services anytime at **1-866-382-3512**.

- Log in to your secure Aetna Navigator member website at [www.aetna.com](http://www.aetna.com) for personalized health and benefits information.

- Once registered on Aetna Navigator, access **Cost of Care**, a suite of online decision-support tools to help you compare estimated in-network and out-of-network costs for health care services in your area. Compare costs on:

- > **Medical Procedures** — such as arthroscopy and colonoscopy.
- > **Office Visits** — such as routine physicals and emergency room visits.
- > **Medical Tests** — such as lab tests, X-rays, MRI and other tests.
- > **Diseases & Conditions** — for services associated with specific diseases and conditions such as asthma, diabetes, pregnancy, heart disease and high blood pressure.

- The **Hospital Comparison Tool** lets you compare area hospitals on measures that are important to your care.
- Search the **Aetna IntelliHealth®** website for credible health and wellness information and helpful interactive features. Or go to **Healthwise® Knowledgebase**, where you can research clinical information on thousands of health topics and medications.
- Access up-to-date information on preferred health care providers through the **DocFind®** online directory — including important credentials like education, board certification and languages spoken.

**Need a paper directory? Contact your employer or Aetna Member Services.**

Make the most of your HSA by contributing to your account every year.

## The value of tax-advantaged HSA savings over time

### HSA tax advantages

- Contributions you make to your HSA through payroll deductions are generally made using pre-tax dollars (money that has not been subject to income tax). Thus, they are not considered taxable income and are nontaxable.
- If you make contributions to your HSA using after-tax dollars (money that has already been subject to income tax) your contributions are tax-deductible.
- Your HSA funds earn interest tax free!
- You may pay for qualified expenses with tax free dollars from your HSA.
- In the event of your death, your HSA balance may transfer to a surviving beneficiary tax free. If your beneficiary is someone other than a spouse (children, brother/sister or other), the funds are taxed as regular income.

NOTE: Nonqualified withdrawals are taxed as income and subject to an additional 10 percent penalty. Refer to page 1 for a listing of qualified expenses.

To understand the HSA's power as a savings tool, let us show you how the value of tax-advantaged savings can add up over time. This example illustrates how regular HSA contributions and accumulated interest can result in significant savings in the years ahead. And, because you're not paying taxes on the interest your account earns, there is even more value to the money in your account as it grows.

#### PROJECTED TAX FREE EARNINGS OVER TIME\*

Total Employee Contributions	\$40,000
Federal Income Tax on Contributions	\$0
Projected Earnings on HSA Balance	\$14,610.09
Federal Income Tax in Earnings	\$0
Projected HSA Balance — 2028	\$54,610.09

\*This example is for illustrative purposes and does not reflect events experienced by an actual participant.

The illustration above provides estimated projections and should not be viewed as tax or investment advice. Be sure to consult a tax advisor to determine what is appropriate for your situation. This illustration assumes that no funds were withdrawn from the account and that there is a 3 percent investment rate of return each year. It also assumes that the member is in the HSA for 20 years and that there are neither employer nor catch-up contributions.

These results are based on federal 2008 rates and amounts which are adjusted annually by the IRS. State income taxes, where applicable, are not taken into account. Employee's tax savings will depend on his/her personal situation. Aetna cannot provide tax or legal advice. Please consult with your own tax advisor for more information.



**Choice.**  
**Simplicity.**  
**Affordability.**

**With Aetna,**  
**it's yours.**

# Your HSA Plan

## HSA Account

- You own your HSA
- Contribute tax free
- You choose how and when to use your dollars
- Roll it over each year and let it grow
- Earns interest, tax free

### Today

- Use for qualified expenses with tax-free dollars

### Future

- Plan for future and retiree health-related costs

## High Deductible Health Plan

- Eligible in-network preventive care services may not be subject to the deductible; however, a copay or coinsurance may be charged
- You pay 100% until deductible is met, then only pay a share of the cost
- Meet out-of-pocket maximum, then plan pays 100%

Investment services are independently offered through HealthEquity, Inc.

Investors should carefully read the Fund prospectus, which includes information on the Fund's investment objectives, risk, as well as charge and expenses along with other information before investing. Prospectuses are available on <http://aetna.healthequity.com>. Funds in investments are not FDIC insured and are subject to loss.

The HSA Visa® debit card is provided by HealthEquity, Inc. HealthEquity is a registered trademark. You may receive communications that reference the HealthEquity name, where appropriate.

This material is for information only and is not an offer or invitation to contract. Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. Health information programs provide general health information and are not a substitute for diagnosis or treatment by a physician or other health care professional. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions.

Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to [www.aetna.com](http://www.aetna.com).

**Policy forms issued in OK include:** HMO/OK COC-4 09/02, HMO/OK GA-3 11/01, HMO OK POS RIDER 08/07, GR-23 and/or GR-29/GR-29N.

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