

WELCOME.

00-09-1479D 11/2011

Highmark Blue Cross Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.

Member Service

Sincerely,

If you have any questions, call the phone number listed on your member identification card or visit the member website.

Look for your HSA Visa® debit card to arrive in the mail soon! Use this card to conveniently and securely pay for eligible health care expenses.

The effective date of coverage of your HSA is noted to the right. Expenses incurred before this date cannot be reimbursed from your HSA.

Welcome to your new Health Savings Account (HSA). Enclosed please find important information about managing your HSA and how to use the funds to pay for qualified medical expenses now and in the future.

Dear Customer Name

<month> <day>, <year>

<first name> <last name>  
<street address line 1>  
<street address line 2>  
<city>, <state> <ZIP>

P.O. BOX 25173  
Lehigh Valley PA 18002-5173



# HEALTH SAVINGS ACCOUNT

The perfect companion to your qualified high deductible health plan.

*Savings for today and tomorrow*



HIGHMARKBCBS.COM

**Member Service:**  
Please refer to our Customer Call Center number located on the back of your insurance card

**Member Website:**  
highmarkbcbs.com

**Account Number:**  
**Effective Date:**

# START SAVING NOW WITH YOUR HSA

Your HSA is a self-managed and owned, tax-sheltered account to help you pay for qualified medical expenses now and in the future. This guide will give you helpful information on how to put your account to work for you.

## LET'S GET STARTED

To access your account, log onto your member website at the address noted on your letter and click on "Your Spending" and "HSA." From there, you'll be able to view your account balance, enter claims for reimbursement, contribute to your account and more.

## YOUR HEALTH CARE VISA® DEBIT CARD

When you receive your health care Visa debit card in the mail, simply activate your card by calling the number on the label affixed to the card and follow the prompts.

Use your Visa debit card exclusively to pay for qualified purchases at:

- Doctors' and dentists' offices
- Pharmacies
- Discount chains and club stores
- Other merchants who sell qualified health care products or services and accept Visa

Your debit card is not issued with a PIN option and may not be used at any ATM or for cash-back transactions.

## HOW TO FUND YOUR HSA:

There are three ways to contribute to your HSA.

### Individual contributions:

You can contribute to your HSA by making either online electronic deposits from your personal checking or savings account or by mailing a check along with an HSA Contribution Form, which can be downloaded from the member website (one is included in this guide).

### Payroll deduction:

If you signed up for HSA payroll deduction through your employer during open enrollment, the amount you elected will be deposited into your HSA on a pre-tax basis each pay period.

### Rollover contributions:

If you have an HSA with another financial institution, you may roll over those funds into your new HSA. Download the Rollover Form from the member website to begin the process.

## HOW TO GET REIMBURSED:

There are three convenient ways to get reimbursed from your HSA to pay for qualified medical expenses.

### Health Care Visa Debit Card:

Use your Visa debit card to pay for qualified medical expenses at most pharmacies and physician offices, typically wherever Visa is accepted. Be sure to select CREDIT at the register – no PIN is issued with this card. Amounts will be automatically deducted from your HSA up to the balance of your account.

### Provider Payments:

Making payments to your health care providers has never been easier. When you receive an invoice from a provider for a qualified medical expense, you can request your provider be paid directly from your HSA – like an online bill payment service.

### Electronic Reimbursement:

There may be times that you cannot use your Visa debit card to pay for qualified medical expenses. For example, if a merchant or provider does not accept Visa debit cards, you can pay for the products or services out of your own pocket and reimburse yourself from the funds in your HSA through an electronic deposit made directly into your personal checking or savings account.

## HSA TAX INFORMATION

In the next tax year, you will receive Form 1099-SA (account distributions) and Form 5498-SA (account contributions) for your records. If you over-contribute to your HSA during the calendar year, you will need to complete IRS Form 8889 and pay taxes on the excess contributions made above the yearly maximum amount permitted by the IRS. Please consult your personal tax advisor for questions regarding your HSA and the filing of your tax returns.

To learn more about taxes and your HSA, visit the U.S. Treasury Department's website at <http://www.treasury.gov/resource-center/faqs/taxes/pages/health-savings-accounts.aspx> and refer to Publication 969.

Review the enclosed **Health Savings Account Disclosure Statement** for more HSA information. Consult with your tax advisor if you have questions about how the HSA will benefit you.

## MANAGE YOUR ACCOUNT ONLINE

You can access your HSA anytime through the member website. In this convenient, central location you can:

- View deposits, transactions and claims
- Schedule personal after-tax contributions to your account
- Enter claims for reimbursement of out-of-pocket costs
- Pay a care provider directly from the account
- Invest your HSA funds once your balance reaches \$500
- Request an additional Visa debit card for your spouse or dependents
- Look up typical care costs through health educational tools

## INVEST IN YOUR ACCOUNT

When you contribute to your HSA, funds are deposited into your HSA cash account (FDIC-insured) and begin to earn interest right away.

Once your HSA balance reaches \$500 you may invest any portion of your balance above that level.\* You have a wide selection of mutual funds\*\* – from conservative options such as a U.S. Treasury fund to more aggressive stock funds. You will be notified online once you are



eligible to invest. Simply follow the online prompts to set up your HSA investments. Once you elect to invest, you will receive an HSA Investments Guide from Bank of America, the HSA custodian, which will provide you with more information.

## HSA-QUALIFIED MEDICAL EXPENSES

You are responsible for ensuring debit card purchases, reimbursements and provider payments are only for covered individuals' qualified medical expenses. You cannot receive tax benefits on ineligible expenses.

For a complete list of qualified medical expenses and products you can purchase through your HSA, log onto your member website at the address noted on your letter and click on "Your Spending" and "Eligible Expenses."

Be sure to save your health care receipts. You can use receipts for qualified medical expenses incurred this year to make HSA withdrawals in the future years. The IRS may request validation of any tax-free withdrawals you make this year or in future years when you have an HSA. Be certain your receipt shows date of service, type of qualified medical expense and the cost of the product(s) or service(s).

### Contribution Form Instructions:

Contributions must be made by check only. Cash cannot be accepted.

Your check must be made payable to: Bank of America. Indicate your HSA account number on your check.

Contributions should be mailed to:  
Bank of America  
Health Savings Account  
P.O. Box 2931  
Milwaukee, WI 53201-2931

**Important note: HSA contributions cannot be accepted at Banking Centers or ATMs.**

## USING YOUR HSA IN THE FUTURE

There will come a time when a major life event can affect your HSA contributions and ways in which you access your funds:

- At age 55, as long as you still qualify to contribute to the HSA, you will be able to contribute additional dollars above the annual IRS limit; these amounts, adjusted annually by the IRS, are called "catch-up" contributions.
- At age 65, your HSA becomes both a medical spending account and a retirement account, if desired. Account funds used to pay for qualified medical expenses are still tax-free, while use of HSA funds for other expenses no longer incurs a 20% penalty by the IRS.
- If, at any age, you enroll in Medicare, you are no longer able to contribute to an HSA, but may continue to access your HSA balance for tax-free payment of qualified medical expenses.

Just remember, the funds in your HSA are yours and travel with you if you leave your employer or your health plan or even when you retire. As you continue through life, your HSA funds grow from interest and/or investment earning, creating a greater nest egg for you!

## HAVE QUESTIONS?

Call the Member Service number on the back of your ID card.

000000000  
First Last Name  
Address Line  
City, State 000000000

**Health Savings Account Contribution Form**  
(Not for use at Banking Centers or ATMs)

Contribution Amount \$

ABA Routing #: 053201610

Deposits may not be available for immediate withdrawal.

### Apply my contribution to:

- Current Year – Code # 010  
(must be received by 12/31)
- Last Year – Code # 040  
(must be received by your tax filing deadline)

X  
Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Shares of mutual funds are not deposits or obligations or guaranteed or endorsed by any bank; nor are they federally insured or otherwise supported by the FDIC or any governmental agency, and may lose value. \*\*Investments in mutual funds: Are not FDIC insured. Are not bank issued or guaranteed. May lose value. | Highmark does not offer banking, investment or financial services. HSA funds are maintained in accounts under the custody of Bank of America, a separate company that does not offer Blue Cross and/or Blue Shield products or services. | Bank of America is not affiliated with Highmark. | Visa is a registered mark of Visa, Inc.