

THE hsa SOLUTION

SUMMER 2010

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Health Care Reform and HSAs

With more than 2,500 pages of legislation and ongoing governmental guidance from Washington, D.C., details and implications for employers continue to emerge. Outlined below are the health care reform changes with the most immediate impact on Health Savings Accounts:

- Amounts paid for over-the-counter drugs will no longer be qualified medical expenses eligible for reimbursement from your HSA unless the over-the-counter drug was prescribed by a doctor. The prescription requirement only applies to over-the-counter drugs. It does not apply to expenses for over-the-counter items such as insulin and diabetic supplies, bandages, band-aids or contact lens supplies. These items continue to be reimbursable from an HSA without a doctor's prescription. (Effective 1/1/2011)
- The penalty for reimbursements of nonqualified medical expenses from your HSA will increase from 10 to 20 percent. (Effective 1/1/2011)

NOTE: Do you have a dependent who is between the ages of 23 and 26? Parents who cover adult children via their employer's high deductible health plan option may be unable to use HSA funds to reimburse themselves on a tax-free basis for medical expenses incurred by those adult children. [Learn More...](#)

HSA Limits Stay the Same for 2011

For calendar year 2011, the maximum HSA contribution that can be made is \$3,050 for employee-only coverage (\$4,050 if you are age 55 or older and eligible to make catch-up contributions) and \$6,150 for family coverage (\$7,150 if you are age 55 or older and eligible to make catch-up contributions). The minimum deductible will stay at \$1,200 for single coverage and \$2,400 for family coverage. The maximum out-of-pocket employee expense, including deductibles, will stay at \$5,950 for single coverage and \$11,900 for family coverage. (IRS, 5/24/10)

Introducing our new Employer Portal

We designed a portal specifically for our employers. Employers can take advantage of new online features by logging into our Web site at www.hsamember.com and clicking the "Employer Login" button. Once logged in, there is a new employer Sub-Account Summary page and an "Employer Services" tab. The Employer Services page will provide one-stop access to the most commonly used HSA resources:

- User Guides
- Instructions
- Account holder forms
- Employer forms

Our Service Sets Us Apart

Our service is what differentiates us from our competitors! Our service begins with highly trained, HSA-only representatives in our ACS|BNY Mellon HSA Solution Contact Center and continues through to our specialized Employer and Broker Support. [Learn More...](#)

Did you know?

On the HSA Web site, under the "Account Holder Services" tab, account holders can:

- order additional or replacement HSA debit cards
- reorder checkbooks
- designate an individual as an alternate contact with whom the ACS|BNY Mellon HSA Solution Contact Center can share account information.

ACS|BNY Mellon HSA Solution in the News

Two of our own HSA leaders published an article, *Health Savings Accounts: Back to the Future*, in the Benefits Quarterly First Quarter 2010 publication. This article compares and contrasts HSAs to other health care spending accounts, addresses various HSA topics in the context of HSAs' first six years, and speculates on the future of HSAs. [Click here to view the article...](#)

Close to 4,000 employees covered by the ACS|BNY Mellon HSA respond to questions related to enrollment motivations, changes in behavior impacting their health care and investment choices and their satisfaction with the HDHP/HSA plan model. [Click here to view the article/survey results...](#)

Protect our Environment, Go Paperless.

At ACS|BNY Mellon HSA Solution, we would like to do our part to protect the environment by reducing the amount of printed material we generate.

If account holders are not already viewing their periodic HSA statement online; they may "turn paper off" by following the four steps outlined below:

- Logon to the HSA Web site
- Select "Update Account Profile" on the left side of the screen
- Click on "Edit" under "Your Statement Delivery Option"
- Click on "Agree" to acknowledge and accept the terms

Beginning September 30th, any account holder receiving a paper HSA statement will be charged \$0.75 each time one is generated.