



Maximizing your savings

We'll take you there.

HSA Member Manual

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Welcome!

Congratulations for taking the first step to building health care savings by opening a health savings account, or HSA. HealthEquity is an independent company supporting Blue Cross Blue Shield of Michigan by administering your HSA and providing HSA services. This member guide will provide useful insight and tips for getting the very most out of your HSA.

➤ **Note regarding tax-free statements**

Health savings accounts are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

➤ Helpful member support

QUESTIONS ABOUT YOUR HEALTH PLAN?

Visit: bcbsm.com (log in as a member)

Call: Customer Service number on the back
of your Blue Cross ID card

QUESTIONS ABOUT YOUR HSA?

Call: HealthEquity Member Services at
1-877-284-9840





Getting started

Using an HSA to pay for health care services may be new to you. We're here to help you navigate this uncharted territory.

ACTIVATE YOUR DEBIT CARD

After creating your HSA, you will receive a welcome kit including a Health Savings Account Visa® Health Account Card†. Card activation instructions are included with the card.

LOG IN

You can easily manage your HSA through your online Personal Desktop. Just follow these simple steps.

1. Go to **bcbsm.com** and log in as a member.
2. Select *My Coverage*.
3. Select *Spending Accounts*, then click *Go to your Health Savings Account*.
4. First-time visitors should select *Begin now* and follow the step-by-step verification process.

Once you've logged in, we encourage you to:

- Add a beneficiary to ensure your account savings benefit for your loved ones in the event of your death.
- Elect to receive e-statements to save a monthly statement fee.
- Familiarize yourself with the online account management features and capabilities available through your online Personal Desktop. A comprehensive online Personal Desktop guide starts on Page 18 of this manual.

START SAVING

Decide how you will begin building your health care savings:

- **Paycheck deposits:** If your account is offered as a benefit from your employer, you may make regular pre-tax contributions from your paycheck.* Talk to your Human Resources department for assistance.
- **Transfer an existing HSA:** Do you already have an HSA with another administrator? Transfer your existing HSA balance to HealthEquity and consolidate your savings while taking advantage of other incentives. For more information, visit **HealthEquity.com/doubleit****
- **Electronic funds transfers:** Using EFT, you can make a one-time post-tax contribution or schedule regular, automatic contributions from your personal bank account to your HSA. To set up an EFT, log in to your online Personal Desktop at **bcbsm.com**, log in as a member and follow these simple steps:
 1. Select *My Coverage*.
 2. Select *Spending Accounts*, then click *Go to your Health Savings Account*.
 3. Select *My Account, HSA*, then *Make Contribution*.

* Some employers do not offer a pre-tax option. In that case, you may be able to include your HSA contributions as a deduction on your tax return. Consult a tax professional for more details.

** Blue Cross Blue Shield of Michigan does not control this website or endorse its general content.

† This card is issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. Copyright ©

How it works

AT THE DOCTOR'S OFFICE...



1. You receive medical services

When you go to the doctor's office, the doctor will bill Blue Cross for your services. Be sure to present your Blue Cross ID card. If your doctor requires a payment, it will be applied to your invoice. Your doctor may require payment at the time of service if you haven't met your deductible. You can use your HSA Visa card to pay for your services.

You can use HSA funds to pay any qualified medical expense, even if it's not covered by your health plan. This provides significant tax savings on out-of-network services.



2. Your doctor bills your health plan

Your doctor bills Blue Cross for the services you received.



3. You receive payment details

Once your bill has been processed, you will receive an *Explanation of Benefit Payments* statement, or EOB, from Blue Cross. Your EOB will show any charges you may owe out of pocket, outline charges and summarize year-to-date deductible and coinsurance totals.



4. Your doctor bills you

Your doctor will send you a bill for the amount you owe. Make sure the amount matches your EOB statement.



5. You pay your invoice with your HSA

You can use money in your HSA to pay your doctor. Use your HSA Visa card or set up an online payment that is sent directly to your doctor or as a reimbursement to you.





AT THE PHARMACY...



1. You take your prescription to the pharmacy

Get a prescription from your doctor for needed medication and take it to a pharmacy along with your Blue Cross ID card.



2. The pharmacy verifies your insurance coverage

The pharmacy will verify your coverage on-the-spot to determine the amount you owe for the prescription.



3. You pay for your prescription

The pharmacy will fill your prescription and you pay the amount owed. The expense will automatically be applied to your deductible and coinsurance. Your HSA Visa card is a convenient method of payment.

> Over-the-counter medication

The Internal Revenue Service does not allow HSA funds to be used for over-the-counter medicines without a prescription. Ask your doctor if he or she can write a prescription for over-the-counter medicines or supplies that you frequently use. Then, you can use your HSA to pay for these items.

Your HSA

INTRODUCTION

By selecting an HSA with your health plan, you can contribute money to the account tax-free. Your HSA funds can then be used tax-free to pay for qualified medical expenses. In addition, your HSA deposits earn tax-free interest and carry over from year to year, even if you change jobs or retire.

Your health plan is considered a high-deductible health plan. This type of plan has lower premiums than traditional health plans, and the money you save can be contributed to your HSA.

WHO CAN SIGN UP FOR AN HSA?

The IRS has specific requirements to open and contribute to an HSA. You must be covered by an HSA-compatible health plan and have no other health coverage. The compatible health coverage could include a traditional (non-HSA) health plan, Medicare, Tri-care, Veteran Affairs benefits or even a flexible spending account. Some additional coverage is permitted, including certain accident or disease policies, as well as coverage for disabilities, dental care, vision care and long-term care. For more information on eligibility requirements, see IRS Publication 969.

CONTRIBUTIONS

Anyone can make a deposit to your account (you, your spouse, your employer, etc.) but as the account owner, you are the only one who benefits from the contributions as a deduction on your personal tax return. You don't need to claim contributions to your HSA made by your employer or others on your federal tax return.

CONTRIBUTION LIMITS

The amount that can be deposited each year depends on whether your health plan covers just yourself (individual coverage) or yourself and others (family coverage), as well as your age. Amounts are adjusted annually by the IRS.

CONTRIBUTION DEADLINES

You can contribute to your HSA until the tax filing deadline for the year (without extension). It is important to note that payroll contributions are applied to the calendar year only. Additional contributions for the prior tax year should be made directly to your account through electronic funds transfer or by check.

SPOUSE AND OTHER TAX DEPENDENTS

Your HSA can be used to pay for your qualified medical expenses, as well as those of your spouse and other tax dependents. This is true, even if the dependent is not covered under your health plan.

> Annual HSA contribution limits

2015

Single coverage: \$3,350

Family coverage: \$6,650

2016

Single coverage: \$3,350

Family coverage: \$6,750

Catch-up contribution

During the year you turn age 55 and every year thereafter, an additional \$1,000 per year contribution is allowed.



QUALIFICATIONS FOR HSA CONTRIBUTIONS

Your allowed HSA annual contribution is calculated based on the following:

1. The number of months covered by an HSA-compatible plan
2. Your coverage type (individual or family)

For example, if you have individual coverage for the first five months of 2013 and change to family coverage for the last seven months of the year, you would be able to contribute \$5,117:

$$\$5,117 = [5 \times (\$3,250 / 12)] + [7 \times (\$6,450 / 12)]$$

During your first year with an HSA plan, you may be able to take advantage of the “last-month rule” and contribute up to the entire maximum for the year, regardless of when you join the plan.

Last-month rule (as stated in *IRS Publication 969*)

Under the last-month rule, if you are an eligible individual on the first day of the last month of your tax year (December 1 for most taxpayers), you are considered eligible for the entire year. You are treated as having the same (HSA compatible) coverage for the entire year as you had on the first day of the last month.

Testing period (as stated in *IRS Publication 969*)

If contributions were made to your HSA based on you being an eligible individual for the entire year under the last-month rule, you must remain an eligible individual during the “testing period.” The testing period begins the last month of your tax year and ends on the last day of the 12th month following that month. For example, December 1, 2012, through December 31, 2013.

For more information, see *IRS Publication 969* under *Contributions to an HSA* or consult a qualified tax advisor.

Once you or an eligible dependent has a qualified medical expense, you can use your HSA to pay for it. Payments, also referred to as distributions, are tax-free as long as they are used for qualified medical expenses (see page 10). You can pay a provider from your HSA directly, or you can pay some other way and reimburse yourself later. There is no deadline to reimburse yourself for a medical expense you’ve paid out of pocket. You can do it next week, next year or several years after you incur the expense. Simply keep the documentation (receipt or Explanation of Benefits Payment statement) of the expense, or upload it to the *Documentation Library* of your online Personal Desktop. You’ll need to provide this documentation if you are audited by the IRS.

➤ Maximize your rewards

Tip: Use your personal rewards credit card to pay for medical expenses and then reimburse yourself from your HSA. This way you get the benefit of tax-free payments, plus you get more rewards!



DIRECT PAYMENTS TO HEALTH CARE PROVIDERS

After you receive an invoice from your doctor or hospital and match it with your Blue Cross EOB, you are ready to make a payment. You can use your online Personal Desktop to setup a direct payment with the online payment tool. We'll send the payment directly to your health care provider and include all of the information necessary to apply the payment to your bill.

HEALTH SAVINGS ACCOUNT VISA® CARD PAYMENTS

You can also use your HSA Visa card to make payments to your providers. This is especially convenient at the pharmacy. Most providers will also accept the card over the phone, online or written on the statement for payment. In order for your card to work, you must have the balance available in your HSA, no overdraft is available. The card will not work at ATMs and will typically only work at appropriate medical facilities. The card should always be run as "credit" and no PIN is required. Lastly, be sure to keep all receipts as documentation of your purchases or upload them to the *Documentation Library* on your online Personal Desktop.

QUALIFIED MEDICAL EXPENSES

Qualified medical expenses are designated by the IRS. They include medical, dental, vision and prescription expenses. See *IRS publication 502* for a list of specific examples. Some highlights include:

- Acupuncture
- Alcoholism (rehab, transportation for medically advised attendance at AA)
- Ambulance
- Amounts not covered under another health plan
- Annual physical examination
- Artificial limbs and teeth
- Birth control pills and prescription contraceptives
- Body scans
- Breast reconstruction surgery following mastectomy for cancer
- Chiropractor
- Contact lenses
- Crutches
- Dental treatments
- Eyeglasses and eye surgery
- Hearing aids
- Long-term care expenses
- Medicines (prescribed, not imported from other countries)
- Nursing home medical care
- Nursing services
- Optometrist
- Orthodontia
- Oxygen
- Smoking cessation programs
- Surgery, other than unnecessary cosmetic surgery
- Telephone equipment and repair for hearing-impaired
- Therapy
- Transplants
- Weight-loss program (if prescribed by a physician for a specific disease)
- Wheelchairs
- Wigs (if prescribed)

NONQUALIFIED MEDICAL EXPENSES

Any funds you withdraw for nonqualified medical expenses will be taxed at your income tax rate plus a 20 percent tax penalty if you're under 65. Keep itemized receipts and copies of prescriptions for over-the-counter drugs in case of an IRS audit.

- Concierge services
- Dancing lessons
- Diaper service
- Elective cosmetic surgery
- Electrolysis or hair removal
- Funeral expenses
- Future medical care
- Hair transplants
- Health club dues
- Insurance premiums other than those explicitly included
- Medicines and drugs from other countries
- Nonprescription drugs, medicines (unless prescribed)
- Nutritional supplements, unless recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician
- Teeth whitening



TAX REPORTING

Because your HSA is a tax-advantaged account, the IRS requires you to report how you use the account on your income tax return, typically on Form 8889. HealthEquity provides two tax statements, as applicable, each year: 1099-SA and 5498-SA.

IRS FORM 1099-SA

If you had distributions from your account, they will be reported on the IRS form 1099-SA. Unlike other 1099 forms, you are not required to include the amounts reported on this form as income unless they were used for nonqualified expenses. The form is mailed (or made available to you electronically) by the end of January each year, and you'll need it to properly file your tax return. For additional information, please consult a tax advisor. If you notice any errors, please contact HealthEquity immediately.

IRS FORM 5498-SA

Form 5498-SA is used to report contributions and rollovers to your account, and the account's fair market value and you don't need it to file your taxes. The form is delivered in May each year because you are allowed to contribute to your account up until the filing deadline, and the form captures all contributions for the tax year. HSA contributions are reported in boxes 2, 3 and 4.

- Box 2 - All contributions (regardless of tax year) made during the calendar year.
- Box 3 - Contributions that were made after the end of the calendar year, but were designated as prior-year contributions.
- Box 4 - Any amounts rolled over from another HSA.
- Box 5 - Fair market value as of December 31.

IRS FILING FORM 8889

Your tax preparer will use your 1099-SA, W-2 and other documents, as necessary, to complete and submit IRS Form 8889 with your annual tax return. Form 8889 is used to calculate your HSA deduction amount and report distributions.



> Documentation

In the event that you are audited by the IRS, you may be required to provide documentation of medical expenses paid from your HSA. We suggest that you upload your receipts, invoices, Blue Cross EOBs, written prescriptions (including those for over-the-counter medication) and other official documentation using your online Personal Desktop. These documents will remain safe and secure for future access.

Investing

Just like a traditional savings account, your HSA earns interest. HealthEquity uses a tiered interest rate. Your monthly statement displays the current interest rate paid on your account. Just like the funds you contribute, interest is not taxed when earned.

Once your account meets a certain threshold, you can invest in specific funds offered by HealthEquity. There is never a transaction cost associated with investing in these funds. Also, any potential commission or load fees are waived.

HOW TO INVEST:

To invest in mutual funds, your HSA balance must meet a minimum threshold. Contact HealthEquity member services at 1-877-284-9840 to confirm your plan's threshold.

1. Go to **bcbsm.com** and log in as a member.
2. Select *My Coverage*.
3. Select *Spending Accounts*, then click *Go to your Health Savings Account*.
4. Select *Manage Investments* under *My Account*.
5. Select the investment level that suits your investment goals:
 - *Advisor Auto Pilot* and *Advisor GPS* provide expert fund management and investment advice. If you select one of these options, you are directed to the advisor investment tool to define your investment and risk-management settings.
 - *Self-Driven* allows you to manage your investments and trades yourself. If you select this option, continue with steps 7 through 10.

Click **I Agree** once you have read the terms and conditions.

6. Choose the funds that meet your investment goals. Click the *Add* button to add a fund to your investment mix.
7. To buy or sell shares from selected funds in your portfolio, select *Make a Trade*.
8. You have two options for buying and selling shares (making a trade).
9. Once you make your selection for option 1 or 2, select *Confirm*.

Option 1:

Allows you to specify a set dollar amount to purchase shares based on target holdings

Option 2:

Allows you to specify a dollar amount to buy or sell from each specific fund

Note: Place your mouse over the fund symbol to see a menu from which you can access a fund's prospectus and research summary.

10. When prompted, confirm your trades and select *Execute*.

> It's easy to manage your investments

Just follow Steps 1 through 4 noted above. Here you can add and edit your portfolio, make a trade and more.

INVESTING FAQ

What happens if my balance falls below the investments threshold?

You will not be allowed to invest more funds until your balance exceeds the investment threshold. Investment and HSA cash balances are treated as separate accounts and there is no consequence to your investments if your available balance falls below the investment threshold. You don't have to sell your investments and you don't lose them.

Are my eligible medical claims paid for or reimbursed from my investment account?

No. Investment account balances are separate from your cash balance. To use investment funds to pay for claims, you must sell shares. The proceeds from the sale are automatically deposited into to your HSA cash balance within three to five business days.

How do I know how much is in my total HSA balance versus how much is invested?

Log in from your online Personal Desktop by following the steps on page 5. Go to *Account Balance* under *My Account*. Your total balance (investment and HSA) is displayed as your *Ledger Balance*. Your total HSA cash balance (funds available to pay eligible claims or invest if higher than the investment threshold) will appear as your *Available Balance*.

Do I have to pay taxes on interest earned from my investments?

No. All interest earned on your HSA and investment accounts within your HSA is tax-free,* provided it is used for qualified medical expenses. Any balances from investments sold are automatically deposited into your HSA cash balance.

Does HealthEquity ever change available investment options?

HealthEquity rarely changes the investment options and typically only adds additional options. HealthEquity reserves the right to add or remove funds at any time.

*HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.



Tips to maximize your savings

GENERIC PRESCRIPTIONS

Generic prescriptions typically cost 30 to 80 percent less than their brand equivalent. We encourage you to talk to your doctor about generic prescription options.

URGENT CARE VERSUS EMERGENCY ROOM

A visit to the emergency room can cost three to seven times more than a visit to an urgent care facility that can provide the same treatment. Consider only going to the emergency room in a potentially life-threatening situation. Furthermore, an appointment made with your primary physician will be typically less expensive than a visit to urgent care.

MAX OUT YOUR HSA CONTRIBUTIONS

Each year, the IRS gives you the chance to save up to a fixed amount on HSA contributions. To get the most out of this opportunity, you should contribute the maximum allowed:

<u>2015</u>	<u>2016</u>
Single coverage: \$3,350	Single coverage: \$3,350
Family coverage: \$6,650	Family coverage: \$6,750

Additionally, during the year in which you turn age 55 and every year thereafter, you're allowed an additional \$1,000 per year catch-up contribution.

You have until the tax filing deadline (usually April 15) to contribute the maximum amount. Consider making a deposit to your account through check or electronic funds transfer in the first quarter of the year (for the prior year) if you haven't maximized your deposits. Payroll deductions can only be applied to the current year in which they are withheld.



At the very least...

If you aren't contributing at least the amount you spend on health care, you essentially leave money on the table for the government. At the very least, deposit funds into your HSA before you pay a bill and gain the tax benefits of the HSA deposits.



Retirement

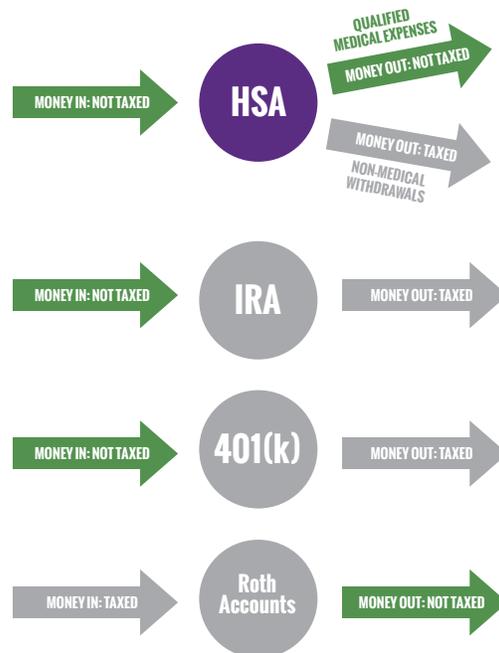
COVERING THE MEDICARE GAP

Medicare will not cover all medical expenses when you retire. The average American couple will face \$220,000* in out-of-pocket health care costs after retirement. An HSA, when managed properly, can fill the Medicare gap. Additionally, an HSA can always be used to pay for dental, vision and hearing expenses. These expenses may or may not be covered by Medicare.

AN HSA VERSUS OTHER RETIREMENT ACCOUNTS

HSAs provide the greatest amount of tax relief of any account type for the following reasons:

1. Deposits are made pre-tax.**
2. Earnings are not taxed.
3. When used for qualified medical expenses, withdrawals are not taxed.



Did you know?

Most retired couples will need to cover more than \$220,000* in out-of-pocket medical expenses. An HSA is a great option to prepare for these expenses.

*Source: Fidelity Investments

*HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.



Save now, cash in later

WATCH YOUR HSA BALANCE GROW

By delaying reimbursement for qualified medical expenses, you can save toward a future financial goal or a dream. Because there is no time limit with an HSA to reimburse yourself for qualified medical expenses, you can accumulate the reimbursable amount until you reach your savings goal, while building tax-free earnings.

- 1. Set a savings goal**
Decide what you'd like to save for and how much money you'll need.
- 2. Pay medical expenses out of pocket**
By paying medical expenses out-of-pocket, you allow the funds in your HSA to continue to build and earn tax-free interest.
- 3. Archive your receipts**
Keep track of your medical receipts, Blue Cross EOB and invoices by uploading them to your account via the *Documentation Library* available through the online Personal Desktop or mobile app.
- 4. Reach your savings goal**
Track your accumulated reimbursable expenses online until you reach the desired amount.
- 5. Cash in**
Use your online Personal Desktop or mobile app to submit a reimbursement for accumulated qualified expenses and receive a tax-free payment for the amount of out-of-pocket expenses you paid.



What if...

...I DON'T HAVE ENOUGH MONEY IN MY HSA TO PAY A MEDICAL EXPENSE?

If you need to pay a medical expense, but haven't deposited the funds to cover it, you have a couple of options:

1. Many health care providers will allow you to pay installments over a period of time. You can even set up recurring payments through your online Personal Desktop once you and your provider have set up a payment plan. See Page 21 for information on setting up recurring payments.
2. You can also pay for medical expenses out of pocket, and reimburse yourself once your balance reaches a certain amount.

As long as the medical expense occurs after your HSA is established, you can use any funds deposited to cover that expense.

...I LEAVE MY EMPLOYER?

You own the HSA, so even if you leave your employer, the account stays with you. In fact, if you keep your HSA-compatible health plan (or get another HSA-compatible health plan) you can still contribute to the account.

...I CHANGE MY HEALTH PLAN?

If your new health plan is not considered HSA-compatible, you won't be able to continue making contributions to your HSA. However, you can continue to use any funds you have deposited tax-free to pay you and your dependents' qualified medical expenses.

You can also contribute additional funds to the account if you haven't made the maximum eligible contribution based on how long you were covered. Please note that leaving the plan early may result in excess contributions to your account. See IRS Publication 969 for more details, and contact HealthEquity member services at 1-877-284-9840 if you need help.

...I DIE?

Establishing a beneficiary for your account will save your loved ones a lot of difficulty in the event of your death. It's one of the first actions we recommend when you open your HSA.

A spouse beneficiary can assume ownership of the account without tax penalties or receive a taxable lump sum distribution. All other beneficiaries would receive a taxable lump sum. Taxes are assessed on the value of the account on the date of death.

Online Personal Desktop guide

INTRODUCTION

Your online Personal Desktop is a powerful tool that gives you access to HealthEquity's account management features. You can access your online Personal Desktop through **bcbsm.com**. The following pages provide detailed instructions on how to access and use your online Personal Desktop.

Using your online Personal Desktop, you can check your balance, review transactions, view claims, invest in mutual funds, pay health care providers and submit for reimbursement online.

HOW TO LOG IN

You can access your online Personal Desktop through **bcbsm.com**. Simply follow the steps below.

LOGGING IN TO YOUR ONLINE PERSONAL DESKTOP THE FIRST TIME:

1. Go to **bcbsm.com** and log in as a member.
2. Click *My Coverage*.
3. Click *Spending Accounts* and then click *Go to your Health Savings Account*.
4. If you have never logged on before, follow the instructions for logging in for the first time. Be prepared to enter your first and last name, the last four digits of your Social Security number, date of birth and the ZIP code of your current residence. This information is used to identify you as the account holder.
5. On the *Set up your login* screen:
 - Pick a user login name of at least six characters with numbers and letters.
 - Choose a password of at least eight characters with an uppercase letter, a lowercase letter and a number.
6. On the *Your email settings* screen, enter your email address.
7. Click the box to agree to the terms of the website and save the agreement.

Once logged in, you'll see your name and available balance on the top right.

LOGGING IN AFTER YOUR FIRST LOGIN:

1. Go to **bcbsm.com** and log in as a member.
2. Click *My Coverage*.
3. Click *Spending Accounts* and then click *Go to your Health Savings Account*. You'll see your balance information and your name on the top right of the screen.



MY ACCOUNT

Under the *My Account* tab, you can review your account balance. Occasionally, pending contributions or distributions might cause a difference between the *Ledger Balance* and *Available Balance*. Always refer to the *Available Balance* for the most accurate account balance.

HSA TRANSACTION HISTORY:

HSA Transaction History displays any contributions, distributions, fees assessed or interest earned for your HSA.

ACCOUNT STATEMENTS:

Account Statements is where you can view and print any monthly statement as well as annual tax forms.

INSURANCE INFORMATION:

Also listed under the *My Account* is any health insurance information obtained during enrollment, including dependents.

AUTHORIZED INDIVIDUALS:

Authorized Individuals lists those associated with your account. For anyone other than the primary account holder to receive specific account information over the phone, the primary account holder must first authorize them. An authorization form is located under *Docs & Forms*.

DEBIT CARD MANAGER:

The *Debit Card Manager* page allows you to activate your HSA Visa card. To request additional cards or to report your card lost or stolen, contact HealthEquity at 1-877-284-9840 (Additional fees may apply for replacement cards).

RETRIEVE ACCOUNT STATEMENTS, INCLUDING TAX FORMS:

1. Place your mouse over *My Account*.
2. Select *Account Statements* from the drop-down menu.
3. View your monthly statements, year-end statements and tax statements. Select a year to view a statement and click a link or button to download a statement.

Claims and Payment

To send payments to health care providers or reimburse yourself for out-of-pocket medical expenses, you can create claims for payment using the *Reimbursement/Payments* option under the *Claims & Payment* tab.

The screenshot shows the Blue Cross Blue Shield of Michigan website interface. At the top left is the logo with the text "Blue Cross Blue Shield of Michigan". At the top right, it says "John Doe (734899) Sign Out". A navigation bar contains "My Account", "Claims & Payments", "Docs & Forms", and "Resources". The main heading is "Reimbursement/Payments" with a breadcrumb trail: "Choose Account | Deductible Met | Payment Type | Expense Details | Payment Detail | Review".

From which account would you like the money to come out of?

HSA

My Bank - My Banking Institution 11223 Main St Salt Lake City UT 84114 #####2121

[\(Add Account\)](#)

How would you like to enter the claim?

Enter claim record and send payment

Enter claim record only - use this option if you want to enter your claim information but not send a payment

Qualified medical expenses from an HSA are those incurred by the following persons:

1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return,
 - b. The person had gross income of \$3,650 or more, or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.

* This information is listed in IRS Publication 969. For more IRS definitions of qualified dependents please visit the IRS.gov website.

Please note that the definition of a dependent for your health insurance plan is different. Please contact your health insurance administrator for details.

PAY PROVIDER:

The *Pay Provider* page allows you to make payments to your health care providers for services. To make a payment, simply:

1. From the *Claims & Payments* tab, select *Pay doctor/provider*.
2. Select to have the funds come out of your HSA and then select *Enter claim record and send payment* before clicking *Next*.
3. Select *Pay Provider* to send payment directly to a provider.
4. Choose to enter a new expense or select an existing expense if HealthEquity has received claim information from Blue Cross.
 - Clicking *New* will allow you to enter specific claim details such as patient and dates of service.
5. The *Payment Detail* page will allow you to enter the amount of the expense, as well as the provider's billing information, such as invoice number or account number.
 - Clicking *Next* will take you to a review page to confirm the payment before it is sent.

If you need to send recurring payments to your health care provider, on the *Payment Detail* page, enter the entire balance of the expense in the *Unpaid Amount* box. Under *Payment Amount*, select the option for *Scheduled Payments*. You will be able to specify the number of payments you would like to send, the amount of each payment and the dates you would like them to be made. If you want each payment to be equal and sent on the same date each month, the *Divide Payments* button will do the computing for you.

Easily reimburse yourself from your HSA for payments you made out-of-pocket:

1. From the *Claims & Payments* tab, select *Request Reimbursement*.
2. Select to have the funds come out of your HSA and then select *Enter claim record and send payment* before clicking *Next*.
3. Select *Reimburse Me*.
4. Choose to enter new expense or select an existing expense if HealthEquity has received claim information from Blue Cross.
 - Clicking *New* will allow you to enter specific claim details such as when the provider was originally paid and dates of service.
5. The *Payment Detail* page will allow you to enter the amount of the expense, as well as how you would like to be reimbursed.
6. If you have not done so already, you can add your banking information (for an electronic funds transfer) by clicking *Add Account*.
 - Clicking *Next* will take you to a review page to confirm the payment before it is sent.

If you would like to schedule reimbursements, instead of completing the *Amount* section, select *Scheduled Payments*. You will be able to specify the number of reimbursements you would like, the amount of each reimbursement, and the date you would like them to be paid.

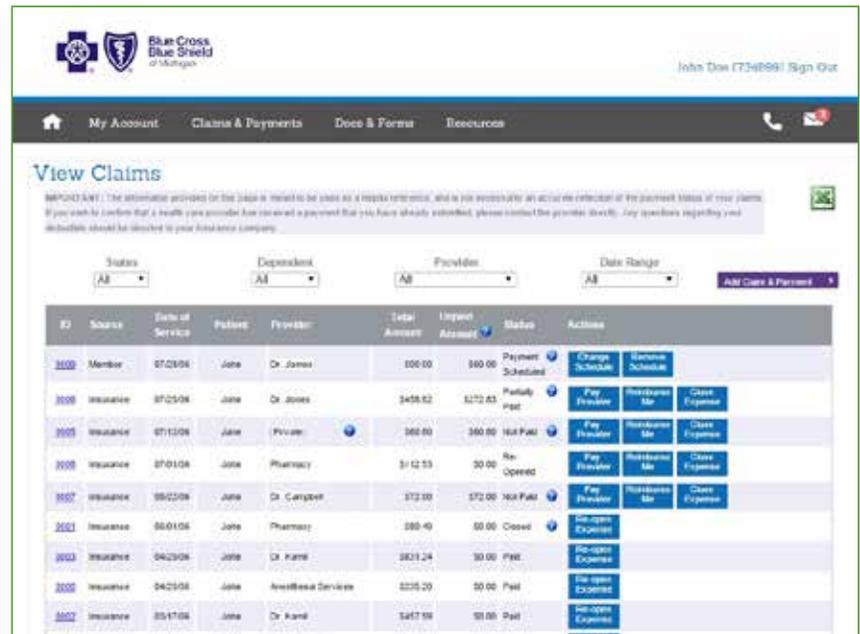
Set up an EFT

1. Click *My Account* in the main navigation bar, under your name.
2. Under *Account Information*, click the *Add/Edit* button. You'll need a copy of a personal check for reference.
3. Enter the requested information.
4. Select an account purpose and click the *Mark account as verified* button.
5. Click *Authorize*.

Your account will need to be verified to make contributions

CLAIMS

Occasionally you might receive an email notification of a new claim received for you or one of your dependents. Each claim listed gives you a breakdown of services, what was applied to your deductible and the estimated patient responsibility.



ID	Source	Date of Service	Patient	Provider	Total Amount	Unpaid Amount	Status	Actions
3000	Member	07/23/08	Jane	Dr. Jones	\$00.00	\$00.00	Payment Scheduled	Change Schedule, Renewal Schedule
3000	Insurance	07/23/08	Jane	Dr. Jones	\$458.62	\$272.83	Partially Paid	Pay Expense, Reopen Expense, Close Expense
3000	Insurance	07/13/08	Jane	Private	\$60.00	\$60.00	Not Paid	Pay Expense, Reopen Expense, Close Expense
3000	Insurance	07/01/08	Jane	Pharmacy	\$112.53	\$0.00	Re-Opened	Pay Expense, Reopen Expense, Close Expense
3000	Insurance	06/23/08	Jane	Dr. Campbell	\$72.00	\$72.00	Not Paid	Pay Expense, Reopen Expense, Close Expense
3000	Insurance	06/01/08	Jane	Pharmacy	\$80.40	\$0.00	Closed	Reopen Expense
3000	Insurance	04/23/08	Jane	Dr. Kane	\$811.24	\$0.00	PAID	Reopen Expense
3000	Insurance	04/23/08	Jane	AmesBeech Services	\$230.20	\$0.00	PAID	Reopen Expense
3000	Insurance	03/17/08	Jane	Dr. Kane	\$477.98	\$0.00	PAID	Reopen Expense

➤ Claims marked as “Private”

You may see claims that are marked “Private.” HealthEquity protects personal health information and does not display details of claims for any dependents over age 18, including a spouse.

To access “Private” claim information, a HIPAA Release Form can be completed by your dependent and submitted to HealthEquity. Forms are available under *Docs & Forms* in your online Personal Desktop.

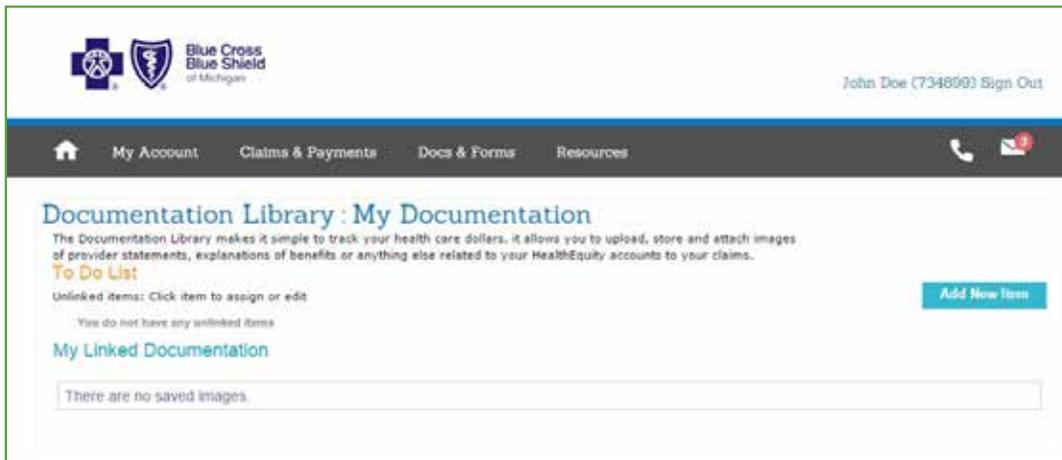
VIEW CLAIMS:

1. Go to the *View Claims* screen under the *Claims & Payments* tab.
2. To send a check to a health care provider or reimburse yourself for expenses you paid out of pocket, select the *Action* buttons that accompany open claims.
 - Health care provider information is usually included on claims sent by Blue Cross, but we recommend that you verify the address before submitting your payment.
 - If you pay with your HSA Visa card, the payment status of the claim will not update automatically on the *View Claims* page. You could manually match the transaction to the claim by following the prompts when clicking *Close Expense*.



DOCUMENT LIBRARY

The *Documentation Library*, also located under the *Claims & Payments* tab, is a convenient way to store and manage your receipts, EOBs, invoices and more. By uploading your medical documentation here, not only is everything kept in one central location, but you can access the documents for years to come. This eliminates the need to hold onto originals which can be easily lost or damaged. While this isn't required, it's a powerful tool for electronic record keeping.



GETTING STARTED:

By selecting *Receipts and Documentation* from the *Docs & Forms* tab, you will be taken to a page to either upload or view your medical documents. Any uploaded documentation that has not been linked to a claim or payment will be displayed in the *To Do List*. Already linked images will be displayed under *My Linked Documentation*. Placing your mouse over the paper clip icon will allow you to preview the image. To view specific details, click on the icon. To see which claim or payment an image is linked to, click on the icons to view more specific information.

ADD NEW DOCUMENTATION:

To upload a new document:

1. Click *Add New Item*, where you will be able to browse for the file.
2. Specify the date of expense and type of documentation (receipt, EOB, invoice, other).
3. Add any applicable notes.
4. Check the box confirming quality of the image and click *Submit*. This will take you to a page with a preview of the documentation; this page also allows you to *Create New Claim, Link to Claim, Link to Payment, Update* and *Delete*.

CREATE NEW CLAIM:

By creating a new claim, you can request either a provider payment or a reimbursement using the same process outlined in the *Reimbursements/Payments* section (Page 22).

LINK TO CLAIM OR PAYMENT:

By selecting *Link to Claim* or *Link to Payment*, you will be able to associate the uploaded image to an existing claim or payment. When linking to a transaction, if the payment you are looking for does not appear, select *Show All Transactions*. Once linked, the specific claim or payment will appear underneath the image details section.

TO DO LIST:

Any documentation that is not linked to a claim or payment will appear in the To Do list. To complete the linking process, click on the image and select one of the action buttons (*Create New Claim, Link to Claim* or *Link to Payment*).

> Save now, cash in later

The *Documentation Library* is a powerful tool to track your reimbursable expenses in the event you'd like to delay reimbursement and cash in later.

INVESTMENTS

Grow your balance even more by investing in mutual funds. The *Manage Investment* page creates a user-friendly platform for you to build a portfolio and manage your investments with the click of the mouse. For more information about investing with HealthEquity, see Page 12.

Blue Cross Blue Shield of Michigan

John Doe (734899) Sign Out

My Account Claims & Payments Docs & Forms Resources

Manage Investments

Investment Desktop Add to Portfolio Edit Portfolio Make a Trade Pending Trades Fund Activity Education Center

INVESTMENT ALLOCATIONS

Target Holdings

HOLDINGS OVER TIME

INVESTMENT PORTFOLIO

Fund	Name	Shares (#)	Closing Price	Closing Value
GFAFX	AMERICAN FUNDS GROWTH FUND OF AMER F-1	0.000	38.23	0.00
DODFX	DODGE & COX INTERNATIONAL STOCK	0.000	37.02	0.00
BSCFX	BARON SMALL CAP RETAIL	0.000	29.81	0.00
FBCVX	FIDELITY BLUE CHIP VALUE	0.000	12.65	0.00
FDCAV	FIDELITY CAPITAL APPRECIATION	0.000	32.98	0.00
DGAGX	DREYFUS APPRECIATION	0.000	47.58	0.00
BALFX	AMERICAN FUNDS AMERICAN BALANCED F-1	0.000	22.20	0.00
DODIX	DODGE & COX INCOME	0.000	13.71	0.00
PRFDX	T. ROWE PRICE EQUITY INCOME	0.000	30.11	0.00
				0.00

OTHER NOTICES

- You have \$929.20 available to invest. [Click here to trade.](#)
- You have 9 pending trades. [Click here to view.](#)
- You have \$1,000.00 waiting for trade completion.
- [Click here to view the Investment Agreement.](#)
- [Click here to learn more about Investments \(Required Adobe Acrobat Reader\).](#)
- NEW** You have 4 new fund(s) available to you. [Click here to view them.](#)

MAKE A CONTRIBUTION

The *Make Contribution* page allows you to make post-tax contributions to your HSA from a personal banking account. If you do not have a bank account on file, it will prompt you to add your banking information. To make a contribution outside of payroll:

1. Go to the *Account* tab, then *HSA*.
2. Click *Make Contribution*.
If you want to set up contributions to come out of your account automatically each month, use the *Click here to set up automatic contributions*.
3. Select an *EFT account*.
4. Enter the amount you want to contribute.
5. Select the year you'd like to contribute toward.
6. Click *Contribute*.

MY PROFILE

The *Profile* page allows members to manage their account settings, such as contact information, beneficiaries, well as communication and login settings. If you have not done so already, you can add your banking information directly on the *Profile* page for EFT contributions and reimbursements.

ADD BANKING INFORMATION:

1. Go to the *Account Information* section.
2. Click on *Add/Edit* button under *External Accounts*.
3. Enter your bank account's routing number, account number and financial institution name, and indicate how the account will be used.
 - If solely used for reimbursement, account verification is not required. If you will be contributing from this account, HealthEquity will first need to verify your account.
 - You can add as many accounts as you'd like, however, if you'll be adding the same account to multiple HSAs (For example, yours and a spouse's account), HealthEquity requires that you submit a voided check to verify the account information.

ADD A BENEFICIARY :

1. Go to *Beneficiary Information*.
2. Click the *Add/Edit* button and select your marital status.
 - If you are married but designating someone other than your spouse to be the primary beneficiary and you live in a community property state, HealthEquity requires a signature from your spouse on the *Beneficiary Designation Form*, located under *Docs & Forms*.
3. Enter in required information, which includes: name, date of birth, Social Security number and address for each individual.
 - You can add both primary and contingent beneficiaries, up to four each; if you would like to add more, please complete the *Beneficiary Designation Form* and submit it to HealthEquity.

FORMS AND DOCS

For any paper forms that might be required, view the *Docs & Forms* section: *Account Authorization Form*, *Beneficiary Designation Form*, *HIPAA Release Form*, *Reimbursement Form* and *Rollover/Transfer Request Form*.

For a complete description of each form, refer to your online Personal Desktop.

> Verify your account

To verify the account, a small deposit will be made into your account. Once the deposit has been made, return to your online Personal Desktop to verify the amount received. As soon as it is verified, you can either initiate a one-time contribution or recurring monthly contributions.

Convenience at your fingertips

THE HealthEquity MOBILE APP

Easy access to your HSA
wherever you are.



HealthEquity mobile app*

HealthEquity available on the go

The HealthEquity mobile app provides easy, on-the-go access to all of your HSA. The free app provides comprehensive tools to help you manage transactions and maximize your health savings.

CONVENIENT, POWERFUL TOOLS:

On-the-go access

You can access all account types wherever you go.

Photo documentation

Simply take a photo with your device to initiate claims and payments.

Send payments and reimbursements

You can send payments to health care providers or reimburse yourself for out-of-pocket expenses from your HSA.

Manage Health Savings Account Visa® transactions

Link your Health Savings Account Visa® transactions to claims and documentation.

View claims status

View the status of claims as well as link payments and documentation to claims.

AVAILABLE FOR FREE AT:



*The HealthEquity mobile app allows you to access HSA information only. For information about your Blue Cross health plan go to bcbsm.com or call the Customer Service number on the back of your Blues ID card.



LOGIN PAGE

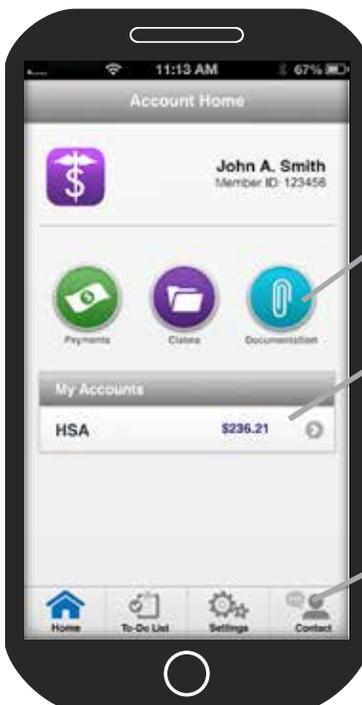


LOGGING IN

To log into the mobile app, you will use the same username and password created during your first-time login to the online Personal Desktop. If you have not logged in before, please do so online, preferably with a computer, prior to logging in to the mobile app. If you are unsure of your login credentials, please contact member services at 1-877-284-9840. For assistance with your debit card, please call phone number located on the back of your Health Savings Account Visa® card.

If your password needs to be reset, you will need to create a new password on the online Personal Desktop before it can be used to log in to the mobile app.

HOME SCREEN



Central access to payments, claims & documents

Access multiple accounts

“Ever present” buttons for easy navigation

MOBILE APP HOME

On the home screen, you will see:

- Your name
- Member ID
- Buttons to access
 1. *Payments*
 2. *Claims*
 3. *Documentation*
- A list of your accounts and balances
- Navigation buttons:
 1. *Home*
 2. *To-Do List*
 3. *Settings*
 4. *Contact*

To view *Account History*, simply tap the gray arrow next to your account balance. Here you will see contributions, distributions, as well as any fees or interest

ADD A CLAIM

To add a new claim or view existing claims, tap the claims icon. On this screen you can see all of the integrated claims HealthEquity has received as well as claims you have entered manually.

To create a new claim, tap *New* in the top right corner and follow the prompts to enter the necessary information; tap *Next*. Review claim details and tap *Finalize* if accurate. You will have the option to add documentation to your claim by tapping *Link Documentation* and taking a picture of the receipt, Blue Cross EOB or invoice, using your mobile device's camera.

ADD AN EFT ACCOUNT

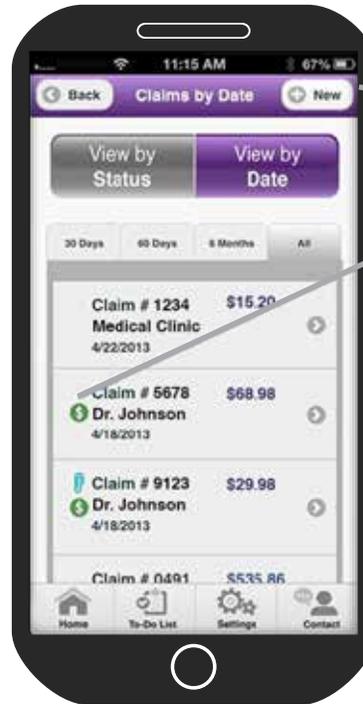
To add banking information for electronic fund transfers, tap *Settings* at the bottom of the screen, and then select *Bank Accounts*. To add an account, you will tap *New* in the top right corner. Enter the requested information, such as routing and account number and click *Next*.

The banking information added through the app can only be used for reimbursements. Contributions through the mobile app are not available at this time.

TO-DO LIST

To-Do items are those that have not yet been linked to a claim, payment or documentation. They are noted with an orange flag to set them apart from other items.

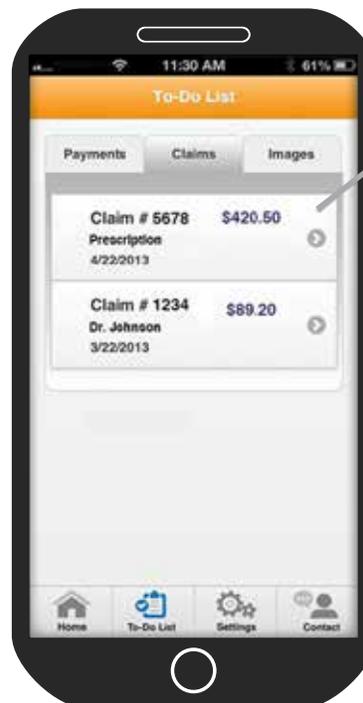
CLAIMS HOME



Add new claim

Icons indicate if a claim is linked to documentation or payment

"TO-DO" SCREEN



"To-Do" items are those that have not been linked to a claim, payment or documentation

They are noted with an orange flag to set themselves apart from other items



DOCUMENTATION HOME



DOCUMENTATION DETAIL

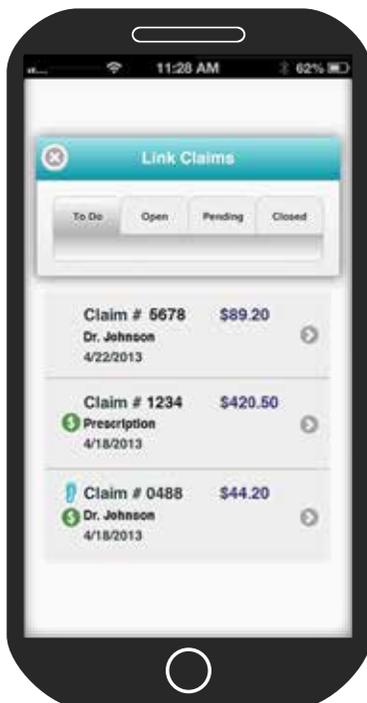


ADD AND LINK TO DOCUMENTATION

To upload a receipt, EOB or invoice to the mobile app, tap the *Documentation* icon.

You will be able to select *Camera*, which will allow you take a picture right on the spot, or *Image Library* to use a picture you've already taken. Once the image is selected, you can enter the date of the expense, type of documentation and any applicable notes. Once saved, your image will be displayed as an unlinked document. To link it to a particular claim or expense, select the picture and click *Edit* in the top right corner. Under *Linked Payments*, you can choose to link to a claim or payment. You can select whether you are linking to a new or existing claim or payment. If existing, you will select the correct claim or payment and tap *Link*. You will be able to create a new entry using the steps listed in the *Make a Payment* section on page 32 and *Add a Claim* section on page 30.

LINK DOCUMENTATION TO PAYMENT OR CLAIM



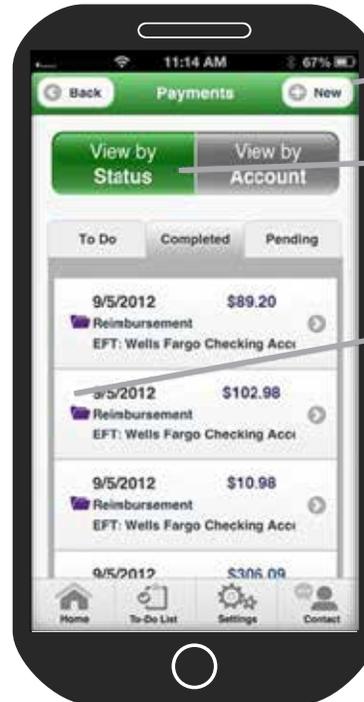
Upload new documentation:

1. Use the mobile device's camera to capture receipt, EOB or invoice images
2. View by status, date or type
3. Select to view details

PAYMENTS HOME

MAKE A PAYMENT

To make a payment or get reimbursed, tap the *Payments* icon. You can view previous payments made by status or date, but to add a new payment tap *New* in the top right corner. Select the account you would like the funds to come out of, and select either *New* or *Existing* type of expense. If HealthEquity receives claims information from Blue Cross, you can send a payment using the existing information from the open claim on the following screen. If it is a new expense, you'll have to enter expense information, such as provider, date of service, patient, etc., on the following screen. Next, indicate whether you want HealthEquity to send a payment to a provider or reimburse you before continuing to the next screen. Enter in all requested information and tap *Next*. If everything is correct on the confirmation screen, tap *Finalize* to send the payment.

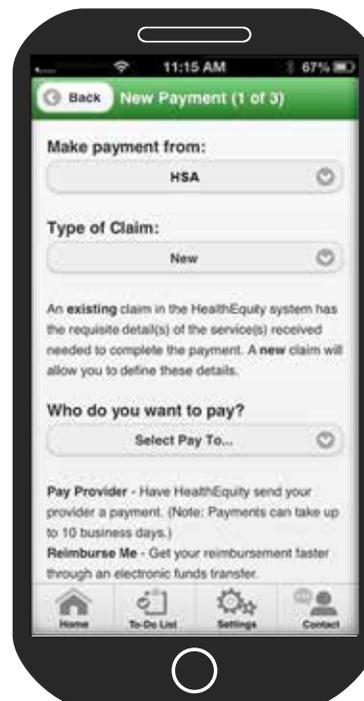


Add new payment

Payments organized by status or date

Icons indicate if a payment has been linked to documentation, payment or claim

NEW PAYMENT SCREEN



Make payments from your phone

1. Choose which account to make payment from
2. Select a claim
3. Choose payee



Glossary of terms

ADMINISTRATOR

The guide administrator refers to the company that holds, or administers, your HSA.

BENEFICIARY

The individual designated to inherit your HSA in the event of your death.

CLAIM

The information about a specific medical service that your health care provider sends to Blue Cross for processing.

COINSURANCE

A percentage that you pay for a health care service in addition to your deductible (if you have one). Your health care company then pays the remaining percentage.

CONTRIBUTION

The technical term used to refer to deposits (other than transfers and rollovers) to your HSA.

CONTRIBUTION LIMITS

The maximum amounts established by the IRS that you can contribute to your HSA. See page 8 for specific limits.

COPAYMENTS

A fixed-dollar amount you may be required to pay for office, urgent care and emergency room visits.

COVERAGE TIER

The level of coverage you have (usually single or family). HSA contribution limits vary by coverage tier.

DEDUCTIBLE

A set amount you pay for covered services before your health plan begins to pay.

DEPENDENT

1. Individual other than yourself, who is covered by your health insurance plan (typically a spouse or child).
2. The IRS has specific requirements to determine tax dependents. Your HSA can be used to pay the qualified medical expenses of any tax dependent, regardless of whether they are covered by your plan. Consult a tax advisor regarding your specific situation.

DISTRIBUTION

The technical term used to refer to withdrawals from your HSA.

ELECTRONIC FUNDS TRANSFER, OR EFT

A quick method of transferring funds directly between your personal financial institution and your HSA.

ELIGIBLE INDIVIDUAL

An individual who meets all of the IRS requirements to contribute to an HSA. You can read more about eligible individuals in IRS Publication 969.

EXPLANATION OF BENEFIT PAYMENTS, OR EOB

A statement that shows the service billed from your health care provider and the deductible, coinsurance and other covered amounts, as applicable.

IN-NETWORK

A health care provider that participates in your health plan network and who agrees to charge negotiated rates established with your health plan.

ID CARD

Your Blue Cross card that your health care provider uses to verify coverage and bill for services. It is important that you present this card each time you use health care services.

INSURANCE PREMIUM

An amount you may be required to pay for your health plan. It's usually deducted from each paycheck, or you pay it monthly or yearly.

OUT-OF-NETWORK

A health care provider who does not participate in Blue Cross' network. You can still use your HSA to pay qualified medical expenses from out-of-network providers.

OUT-OF-POCKET MAXIMUM

For HSA-qualified plans: The maximum amount you will pay out of pocket, including prescriptions and your deductible. For other plans: Similar to HSA-qualified plans, but copayments, coinsurance and other costs may or may not be included in the calculation of your out-of-pocket maximum.

POINT OF SALE, OR POS

The location where you use your Health Savings Account Visa® card to pay for qualified medical expenses.

PROVIDER

The doctor or other health care professional who provides health care services.

PROVIDER INVOICE (PROVIDER STATEMENT)

The bill from your provider for services. It should reflect the adjustments presented on your Blue Cross EOB.

QUALIFIED MEDICAL EXPENSES

An expense paid for health care as described in Section 213(d) of the Internal Revenue Code. This can include medical services that may not be covered by your health plan, certain prescriptions, some over-the-counter drugs, long-term care insurance and dental and vision care. Ask your employer for a list of qualified medical expenses eligible for payment by your plan.

REIMBURSEMENT

Money you withdraw from your HSA to pay yourself back for out-of-pocket expenses. There is no deadline to reimburse yourself for qualified medical expenses from your HSA.

About HealthEquity

BUILDING HEALTH SAVINGS

HealthEquity is an independent company supporting Blue Cross Blue Shield of Michigan by administrating your HSA and providing HSA services. HealthEquity empowers Americans to build health savings by providing powerful tools for health savings accounts and other health financial services. HealthEquity manage over \$2 billion in deposits, which them the largest dedicated health account custodian in the nation. With member support available every hour of every day, HealthEquity provides around-the-clock insight to maximize your health savings.

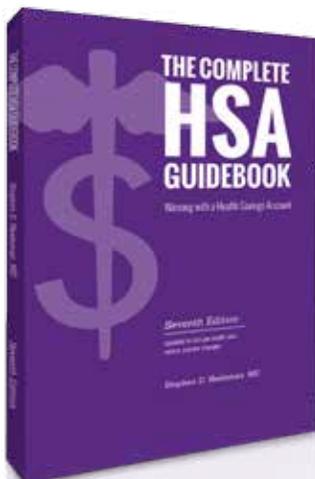
The Complete HSA Guidebook

LEARN MORE ABOUT HOW AN HSA WORKS

Download a free copy of The Complete HSA Guidebook at:

www.hsaguidebook.com*

Promotional Code: HSASmart2014



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bcbsm.com

Health Savings Account Visa® Card is issued by the Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank is a member of FDIC. HealthEquity and Bancorp Bank are independent companies that provide health care spending account services for Blue Cross Blue Shield of Michigan members.

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