

What you need to know about the Health Savings Account (HSA) Debit MasterCard®

Update

In our ongoing effort to provide you with worthwhile topics that will be of assistance for you, we wanted to bring you the following piece on the HSA Debit Card.

All Optum Bank HSA holders receive a debit card upon opening an HSA. The debit card can be used for direct payment at a doctor's office, pharmacy or any health care facility that accepts cards with the MasterCard acceptance mark.

Receiving the HSA debit card

Account holders will receive a debit card in the mail, approximately 7 to 10 days after we receive the enrollment file and the individual HSA is opened with Optum Bank. A personal identification number (PIN) for the card will arrive separately in the mail. Additional debit cards can be requested by account holders. This can be done by downloading a request form from the website listed on the back of their debit card. Or, you may want to consider adding the request for an additional card to the HSA enrollment process and send it with your enrollment file for future enrollments.

Debit card activation

In order to protect account holders from unauthorized activity, all debit cards need to be activated by the account holder upon receipt. The HSA debit card can be used after the card has been activated, a contribution has been made to the HSA and funds are available in the account.

Using the debit card for qualified medical expenses

Only qualified medical expenses are eligible for income tax-free reimbursement from the HSA. Qualified medical expenses are those expenses that would generally qualify for the medical and dental expenses deduction. A list of these expenses is available on the IRS website, www.irs.gov. See IRS Publication 969, "Health Savings Accounts and Other Tax-Favored Health Plans" and Publication 502, "Medical and Dental Expenses." Both publications can also be ordered directly from the IRS at 1-800-TAX-FORM.

When using the debit card at a point-of-service, like a doctor's office or pharmacy, the account holder simply needs to swipe the debit card as a credit card, and as long as there are funds available in the account, the expense will be paid directly from the HSA. Account holders should always request that their doctor's office submit a claim to their health plan for reimbursement prior to paying the physician for any fees not paid by the health plan. Once the claim has been processed, and an explanation of benefits has been provided to the account holder, the account holder should receive a bill from the doctor detailing any fees not paid by the health plan. Account holders should save their receipts as they may be needed if the IRS requests documentation to verify that the funds in the HSA were used for qualified medical expenses. If the account holder selects "debit card" at the point-of-sale, he/she will be prompted to enter the PIN. Additionally, the PIN will be needed if the account holder wants to withdraw cash from their account at an ATM to reimburse themselves for medical expenses paid out of pocket.

Lost or stolen debit cards

Account holders can call Optum Bank toll free at 1-800-791-9361, 24 hours a day, to report a lost or stolen card. A replacement card will be sent free of charge. Account holders should check their HSA bank statement each month, just like they would their primary checking account, in order to ensure that no unauthorized activity has occurred on their account. Remember to include a phone number in your enrollment file and encourage employees to keep the number updated. This helps us contact our account holders if we suspect fraud on their account.

Health savings accounts (HSAs) are individual accounts offered by Optum Bank, Member FDIC, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment, and restrictions. Federal and state laws and regulations are subject to change.



For questions on this communication or any HSA administration activities, please contact your Optum Bank Account Coordinator.
