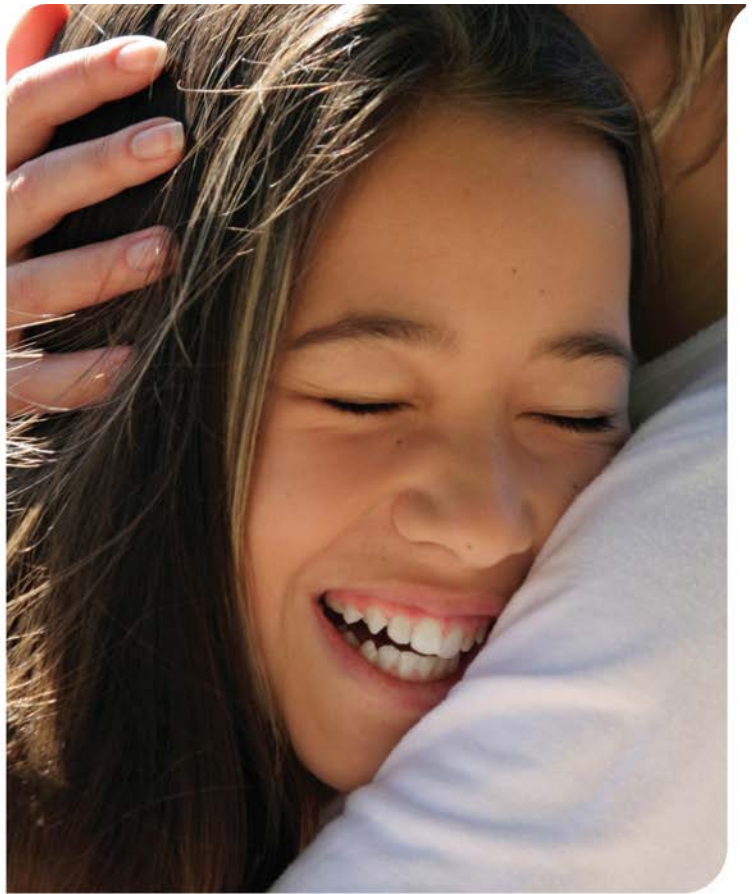


Employer Reference Guide
For groups with 50+ employees

Personal Care Accounts



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- Implementation
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- Other information

For more information

If you have a question about your Personal Care Account (PCA) and can't find the answer in this guide, please contact your Humana representative.

Employees can reach Humana's Spending Account Customer Care team at 1-800-604-6228.



Personal Care Account

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Information in this guide is accurate as of May 2017, unless otherwise noted, and is subject to change. All coverage, benefit, and eligibility determinations are made based on the terms, conditions, and provisions of the plan document, not this guide. For administrator use only – not for distribution to the public.

For details about Internal Revenue Service (IRS) regulations, visit the IRS website – www.irs.gov.

Look for these boxes throughout your handbook for tips or more information on a key topic.

Overview

PCA overview

Using your employer reference guide

This guide is designed to give you the information you need to implement Humana's PCA effectively, as well as information to help employees understand their spending account and its advantages. Keep this guide handy throughout the plan year, and let us know if you have questions we didn't address. For tax implications and questions, contact your accountant or other tax professional.

Personal Care Account (PCA) basics

The PCA is an employer-funded account that employees use to offset a portion of their healthcare expenses. Humana's PCA is a Health Reimbursement Arrangement (HRA) regulated under the Treasury code. Humana refers to the account as a "PCA" because employees view it as a "personal" account.

The Humana PCA is typically combined with a Preferred Provider Organization (PPO) health plan. Employees can use PCA funds for qualified healthcare expenses – including services covered under the plan, as well as some services not covered under the plan. Employees receive a Humana Access® Visa® Debit Card that gives them easy access to PCA funds.

PCA funds used to pay for medical expenses usually apply to the plan deductible. Once an employee uses all of the funds in the PCA, he or she must satisfy any remaining deductible before the plan starts paying coinsurance.

PCA advantages for employers

- **Increased employee involvement** – Because the PCA is like an employer-funded "expense account," employees are more likely to budget for expenses – much like they do with other purchases – and take steps to make their money go further.
- **Flexibility in plan design** – PCAs aren't subject to IRS rules that dictate health plan design. You can choose from several coinsurance and deductible options, as well as different funding options.

- **Flexibility to determine carry-over** – Employers may allow carry-over of unused funds, as long as the employee chooses the same type of plan. You elect to allow all funds to carry over or you can set a maximum amount – either a dollar or percentage – that can carry over. These limits can be customized by tier level. For example, you can limit the dollar amount of carry-over to \$500 for employee-only tier, \$1,000 for employee and spouse tier, \$1,000 for employee and child(ren) tier, and \$2,000 for family tier. Maximum by tier is calculated day one of the new benefit plan year.
- **Fund the account throughout the year** – You don't have to set aside the total amount of PCA funding up front, so you have more flexibility in cash flow.
- **Tax savings** – PCAs are funded entirely by the employer. As a result, you do not pay federal income taxes or employment taxes on amounts you contribute to your employees' PCAs.
- **Single-source management** – Humana manages and administers the PCA and debit card, easing your administrative tasks.

PCA advantages for employees

- **"Pay down" of health plan deductible** – PCA funds used for medical expenses like doctor's office visits reduce the deductible. Once members meet the deductible, they pay only their coinsurance.
- **Easy access to PCA funds** – The Humana Access Card gives employees a convenient way to pay for healthcare.
- **No copayments for medical services** – The typical PCA PPO plan doesn't have copayments, except for prescriptions. Members simply provide the Humana Access Card number to pay providers directly from the PCA.
- **Greater control** – Members can use PCA dollars in several ways – out-of-pocket costs for medical care, pharmacy expenses, dental expenses, vision care, and more. You made this determination during your implementation by selecting from service or expense options on your Employer Election Form (EEF). Please note that smaller groups may be limited to certain expense types.

PCA regulations

Qualified expenses

Qualified and nonqualified expenses for the PCA are defined by IRS Code Section 213. More information about IRS Code Section 213 is available at IRS offices and on www.irs.gov.

Larger employers can exclude qualified categories within the PCA – for example vision and dental – but not a specific expense, like Lasik surgery. You made this determination during implementation by selecting from service or expense categories on your Employer Election Form (EEF).

Because larger employers can control the list of qualified expense categories, it's important for you to communicate with employees about what is qualified for your specific plan – and if your PCA has any special limitations.

Employer funding

IRS requirements state that only the employer can contribute to a PCA – and the IRS doesn't limit the amount you can contribute to the account. However, Humana has several different standard funding amounts. Humana doesn't recommend contributing more than 50 percent of the deductible to the PCA. Our experience indicates that funding more than 50 percent of the annual deductible reduces the incentive for employees to be smart healthcare consumers.

Fund carry-over

The IRS allows employees to carry over unused PCA funds at the end of the plan year. The employer chooses whether to allow this option. In addition, employers can choose how much employees can carry over – either as a percentage or dollar amount. These dollar amounts can be customized by funding tier.

Employees can carry over funds only if they remain with the same employer and choose the PCA plan again. The carry-over options are selected on the Employer Election Form (EEF).

Implementation

PCA implementation

Implementation timeline and process

For both new customers and current customers adding the PCA to their benefits package, a Humana representative works with the customer to determine an implementation timeline.

The implementation process can take up to four to eight weeks from the date the Employer Election Form (EEF) is completed. After your enrollment, Humana processes your employees' plan selections and issues Humana Access Cards to employees who selected the PCA.

The first step in the implementation process is completing the implementation documents (see the section below for details on each document and its purpose). Once the documents are complete, Humana works with the employer and Treasury to set up the bank accounts and funding for the PCAs. During this time, it is important to begin communicating to your employees about their upcoming open enrollment and the benefits available. Meanwhile, Humana sets up our systems to prepare for your open enrollment.

Implementation documents

With assistance from your Humana representative, you complete and return the following documents related to the PCA:

- **Employer Group Application (EGA) and Employer Election Form (EEF)** – The employer must complete an EGA and EEF to select the plans and any other benefits to be offered to employees – including PCAs. On the EEF, you'll indicate the funding amounts for each level of coverage, and your carry-over selection. The Spending Account Contacts and Contributions sheet is part of the EEF; this sheet provides Humana with a primary contact at your company.
- **The Banking Agreement** – The Banking Agreement is part of the EEF and needs to be signed by an officer of your company who can authorize debits to your bank account. This document is the agreement between you (the employer) and Humana specifying how and when funds are transferred between entities. The deposit requirements are included within the Banking Agreement document.

- **Plan Management Agreement (PMA)** – The employer signs this form before enrollment, though not necessarily at the same time as the EEF. Humana provides a sample PMA as early in the enrollment process as possible, so you have time to review this contractual piece of the process thoroughly. After that, you receive a customized version to sign and return.
- **Business Associate Agreement / Privacy Form** – The employer completes this form so they can receive spending account financial reports that include personal health information (PHI).

Customers should return implementation documents to their Humana representative. Your Humana representative may have a series of questions or work with you to review which documents should be completed.

Specifying qualified expenses

Humana's standard PCA offering includes medical, durable medical equipment, and prescriptions as expenses eligible for reimbursement with PCA funds. On the EEF, larger employers may be able to indicate which service categories they want to include as qualified expenses for the PCA. Qualified expenses for a PCA are based on IRS requirements. Larger employers can exclude qualified expenses by category, but not by a particular expense within a category. For example, you can exclude vision, but you can't exclude a specific vision expense such as Lasik.

The categories are:

- Medical
- Prescriptions
- Durable Medical Equipment
- Vision
- Dental
- Qualified Over-the-Counter Healthcare Items
- COBRA/Premiums
- Capital Expenditure
- Medically Necessary Lodging and Transportation
- Medically Necessary Mileage Reimbursement

Funding and using

Enrollment and account set-up

Providing enrollment information

After your open enrollment, you can provide enrollment information to Humana in various ways:

- **Electronic File Transmission and EDI** – Our Electronic Transmissions team facilitates Humana-approved methods that are secure and compliant with both Sarbanes Oxley (SOX) and HIPAA.
- **Electronic Enrollment** – Enrollment is keyed by the employer into Humana’s website.
- **Web Enrollment** – Employees use Humana’s online enrollment center to make their own benefit elections.
- **Paper** – The employer collects the FSA benefit election and annual election amount. The paper method helps organizations that, due to their size or capabilities, can’t provide enrollment information electronically.

Funding overview

Humana makes it easy for employers to set up and fund PCAs:

1. Setup	2. Deposit	3. Replenish
We set up a bank account in Humana’s name, from which we pay claims. We also work with you to identify what bank account to use during the plan year to draw funds to pay claims.	At the start of the plan year, the employer provides a percentage of the total annual PCA election amounts to get the accounts set up.	As Humana processes claims, we pull funds from the bank account you designate to replenish funds through electronic transfer, so the Humana account used to pay claims remains at the agreed-upon balance.

Funding account set-up and initial deposit

Your PCA funding account is in Humana's name and at Humana's bank. This account covers the Humana Access Card transactions as well as manual reimbursements. Humana pays all bank fees, sends updates on expenditures and deposits, and performs monthly reconciliations.

You put an initial deposit in the PCA funding account. This deposit acts as a buffer in the bank account – two or three days may pass between the time Humana pays an employee's claim and when we pull funds from your funding bank account.

You should make the initial deposit at least two weeks before the effective date of the plan. Two weeks allows enough time to set up the bank account, deposit funds, and set up banking information in Humana systems. Humana Access Cards can't be used and card swipes will be denied until Humana receives the initial deposit.

The minimum employer deposit amounts are:

- **Up to 99 eligible participants** – the greater of 4 percent of all annual elections or \$1,000
- **100 or more eligible participants** – the greater of 4 percent of all annual elections or \$2,000

Customers can make the initial deposit by check or electronic payment. Specify the method of your choice in your Banking Agreement. To make your deposit:

- **Check deposit** – Make the check payable to Humana and send it to:
Humana
Attn: Treasury
500 W. Main St.
PO Box 1438
Louisville, KY 40202
- **Electronic deposit** – You can initiate an electronic payment by instructing your bank to wire funds to the Humana-owned account or Humana can initiate an Automated Clearing House (ACH) transfer.

Note: Spending account claims won't be paid and the Humana Access Card won't work until the deposit is received and processed. It is important to make your deposit well before your plan's effective date.

Replenishing the account

As Humana processes employees' claims, we use an automated clearing house (ACH) transfer to replenish the account periodically and then provide you with a summary of activity. The amount transferred through ACH is the sum of all Humana Access Card transactions and manual reimbursements since the previous transfer.

ACH transactions come from the employer bank account designated on the EEF. You'll receive an e-mail notification, sent to the contact name indicated on your EEF, before your bank account is debited.

If a customer account can't provide the necessary funds for replenishment repeatedly, Humana suspends debit card transactions and manual claims processing. The customer must work with Humana's Spending Account Administration and Finance departments to reinstate PCA services. Even if the access to PCA funds is turned off, the employee still has access to his or her health benefits – the employee just can't pay for anything with the PCA funds.

Customer reports

Customers can monitor funding account activity through:

- The e-mail notice from Humana whenever we initiate an ACH
- A monthly funding account balance statement, which provides additional details on balances remaining in each account

Humana also provides a standard set of reports free of charge. Humana sends these reports to the employer's designated representative – either monthly or quarterly, by e-mail or hard copy – as specified in the EEF:

- **Disbursement report** – lists summary-level checks, direct deposits, card swipes, and credit totals
- **Claim register report** – lists specific transactions such as claim type, date, claim amount, etc., which allows you to monitor actual payment data
- **The monthly funding account balance statement** – provides details on balances remaining in each account

Many reports are also available in the Employer Self-Service Center on **Humana.com**. These reports include:

- **PCA summary** – shows a breakout of account usage by claim type
- **Disbursement report** – lists summary-level checks, direct deposits, card swipes, and credit totals
- **Unsubstantiated/non-qualified transaction report** – lists any transaction that has been marked as non-qualified due to no substantiation
- **Humana Access Card activation** – shows which cards haven't been activated versus which cards have not been activated
- **Humana Access Card declines** – provides a breakdown of all card transaction declines and decline reasons
- **Card status report** – shows summary-level data around overall card usage, transactions, and all other data pertaining to the card
- **Financial summary** – shows election amount, amount paid, remaining balance, any NQE amounts, and care swipe amounts that have been authorized but not settled.

To access these reports, log in to the Employer Self-Service Center and click the link titled "FSA/PCA/HSA reports" on the "Reports" tab. If you don't have access to these reports already, your Humana account representative should be able to assist.

How employees spend PCA funds

Availability of funds

Once the plan year begins, employees can start spending PCA money immediately. For employees, that's one of the benefits of a PCA – the ability to use the entire amount available, even before the employer has funded the PCA completely.

Humana Access Visa® Debit Card overview

For most transactions, the Humana Access Card is the fastest, easiest way for employees to spend PCA funds. Employees have fast, convenient access to their funds – and the card doubles as the member ID card for the employee's PPO plan.

The card looks like any Visa debit card – except it only works at healthcare provider locations like doctors' and dentists' offices, pharmacies, and vision care providers. Employees can't use the card at "non-health-related" locations like restaurants or gas stations – even if they're buying a qualified item. Also, employees can't use the card at ATMs or get cash back at a store. In addition, employees can only use the card for categories of healthcare services as specified on the implementation documents.

The Zero Liability feature guarantees maximum protection against fraud if a member's Humana Access Card is stolen and used for unauthorized purchases. After fraudulent behavior occurs, the cardholder simply notifies Humana. If the unauthorized purchase is truly fraudulent, the member isn't financially responsible.

If the card is lost, the employee should alert us right away using the Humana Spending Account automated information line. Once we're alerted, we take steps to protect the account balance and get a new card to the employee immediately.

What employees should do when they receive the Humana Access Card

Humana sends the Humana Access Card to employees at their home address. When they receive the card, employees should:

- Call the toll-free activation number which is on a sticker on the card and follow the instructions on the recorded message
- Sign the back of the card
- Read and save the enclosed insert, which provides more tips on using the card

If an employee gets more than one card, he or she only needs to activate one for both to work. By activating the card, the employee accepts the terms and conditions outlined in the cardholder agreement.

The Humana Access Card doesn't work until the employee calls a toll-free number to activate the card. To help your employees avoid any inconvenience – like not being able to use the card the first time they pick up a prescription – it's a good idea to include card activation messages in pre- and post-enrollment communications.

Using the Humana Access Card

PCA PPO plans typically don't have copayments for medical services. To pay doctor's office bills with the Humana Access Card, employees should:

- Pay nothing at the doctor's office and wait for the doctor to send a bill showing Humana's discounted rate and the member responsibility.
- Check the credit card payment box on the bill, write the card number and expiration date, and mail the bill back to the doctor – or give the card number over the phone.
- If the doctor's office doesn't take Visa debit card payments, employees can pay the balance another way – such as with a personal check – and then get reimbursed from their PCA.

To use the Humana Access Card at a pharmacy for prescriptions, employees simply:

- Present the card for payment or swipe it through the credit card machine
- Humana Access cards come with a preassigned PIN which is mailed to members separately from their card. If a provider's system is setup to accept a PIN they might be prompted to enter it when using their card to pay for qualified expenses. They can enter their PIN at that point or select "credit" as the transaction type.
- Sign the receipt and save it for their records

An employee typically can't use the Humana Access Card at the pharmacy if:

- The employee is filling a prescription that is covered by another plan or through a different employer
- The employee is purchasing a prescription for someone not covered under a Humana medical plan

The reason is that Humana uses real-time claim verification at the pharmacy. If we aren't processing the prescription claim, we can't verify that the transaction is for a covered employee or dependent under your plan.

If you prefer, you can design your PCA to be less restrictive and the Humana Access Card can then be used to purchase prescriptions at IAS certified pharmacies or employees can submit a claim for reimbursement from PCA funds.

Over-the-counter (OTC) medications, such as, pain relievers, cold medicine, and antihistamines, require a prescription to be paid for through your PCA. If you allow members to use PCA funds for qualified over-the-counter healthcare items, they can only use the Humana Access card for non-medicine OTCs, such as, bandages and contact lens solution. Reimbursements for OTC medications require a manual reimbursement request that includes an itemized receipt and prescription.

- **Use the Humana Access Card** – Certain retail locations are set up to accept the card for non-medicine OTCs. A list of OTC retail locations is available on MyHumana; the list is updated regularly, so employees should check back often.
- **File for reimbursement** – Employees can also submit a reimbursement form to Humana along with a receipt. To get a form, employees can log in to MyHumana or call Customer Care at 1-800-604-6228.

The list of sample expenses on MyHumana offers guidance on OTCs that are generally considered qualified.

Easy Pay Consent Form

For health plans that don't have medical copayments, most providers don't mind waiting to send a bill after Humana processes the claim. However, providers are allowed to request payment up front – and some do. Employees can pay an estimated charge and then adjust the debit later, as described in the following section. However, the preferred method is to fill out an Easy Pay Consent Form.

The Easy Pay Consent Form gives a provider written authorization to debit the employee's account after Humana processes the claim and determines the member responsibility amount. Employees can limit the amount a provider can debit, specify a date range, or limit the number of transactions. The Easy Pay Consent Form can be found on Humana.com under the Humana Access Visa Debit Card information.

Adjusting for over- or under-payment

If a provider doesn't have an Easy Pay Consent Form, the employee can pay an estimated charge and adjust it later. To do so, the employee should sign for the transaction, keep the receipt, and watch for an Explanation of Benefits.

- If the employee paid too little – The doctor's office will send a bill for the balance. The employee can use the Humana Access Card to pay once the bill arrives.
- If the employee paid too much – The employee must return the excess amount to his or her spending account. The employee should first ask the doctor's office staff to credit the Humana Access Card. If the provider mails a check instead, the employee can write a personal check to repay his or her account. The employee should make the check out to Humana, write the claim number on the check, and mail the payment to:

Humana Spending Account Administration
P.O. Box 14167
Lexington, KY 40512-4167

Reasons the Humana Access Card may be declined

As long as the employee has activated the card and is purchasing qualified items, the card should work like a charm. Here's an overview of reasons the Humana Access Card may not work:

- The employee pressed “debit” instead of “credit” and doesn't know his or her PIN
- The employee is using the card for a nonqualified expense or an OTC medicine
- The employee is using the card at a non-health-related location, such as a gas station
- The employee hasn't activated the card
- The employee's account doesn't have enough money to cover the total expense – for locations other than the pharmacy, the employee can use the card for the amount in the account, pay the rest another way; at the pharmacy, the employee needs to pay the entire amount another way and then request reimbursement
- The employee tried to purchase a prescription for someone not covered under his or her medical plan; varies depending on the pharmacy's inventory-control system and whether the employer allows use of PCA funds for non-covered dependents' prescriptions

If an employee's card is declined, and the employee thinks the expense qualifies, he or she can pay another way and then submit a reimbursement request.

Reimbursement from the account

If a provider doesn't take the Humana Access Card, employees can request reimbursement by completing a claim form and providing this to Humana along with a valid receipt. The claim form can be found on [Humana.com](https://www.humana.com) “Resources and Support” under “Spending Account Forms” – or the employee can call Spending Account Administration at 1-800-604-6228 to obtain a claim form.

Regardless of where and how employees use PCA funds, they should always save a detailed receipt to verify expenses if the IRS requests documentation.

Run-out period: Employees can still use previous-year PCA funds during the run-out period – but only for services received during the previous plan year. During the run-out period:

- Employees can file a claim only for charges incurred during the previous plan year – During the run-out period; employees can use PCA funds only for the previous year's expenses. The day an employee buys a product or receives a service is the day he or she “incurred” the charge. It's not the date on the bill or the day the employee paid the charges.
- Employees shouldn't use the Humana Access Card to access last year's funds – Once the new plan year begins, employees can't use the card to spend funds from the previous year. If an employee uses the card during the run-out period, the expense would be paid with current-year funds. So, to use remaining funds from last year, employees should file a claim for reimbursement.

What happens at end of the year

PCA funds can carry over to the next plan year. It is the employers' option to allow employees to carry over unused funds at the end of the plan year, and some don't. Your carry-over policy was indicated on the EEF you provided to Humana before the plan year began.

If your plan allows carry-over, employees may be able to carry over the entire balance, a certain percentage, or a flat amount. You determine how much employees can carry over. These limits can't be customized by funding tier. If you have this option, details are documented in the Benefit Plan Document.

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Expense verification

Every time employees use PCA funds, they need to keep a detailed receipt. The IRS requires that 100 percent of disbursements made from PCAs be "substantiated" or verified. Humana makes every effort to verify that expenses are qualified healthcare expenses as defined by IRS Code Section 213(d). In some cases, Humana won't be able to substantiate transactions automatically, particularly in cases where Humana doesn't have the medical benefits or receives limited claims information.

In the event that expenses can't be verified in an automated way, Humana will request receipts from an employee to verify those expenses manually. The employee receives a letter that lists the expense and provides instructions on what the employee needs to do. If receipts aren't received within a reasonable period of time, Humana will turn off the employee's Humana Access Card and attempt to recover the funds from future manual reimbursement requests.

Verification requires valid receipts containing:

- Date of service
- Description of service
- Name of person who received the service
- Name of service provider
- Total expense amount

If an employee can't find a receipt, the provider may be able to provide a duplicate. If Humana processed the claim, the employee can download and print an "electronic EOB" from MyHumana. To do so, the employee goes to the "Claims" page within the "Claims & Spending" section and clicks on "Details" for the claim.

In the event an employee doesn't have a receipt or EOB – or if the employee knows the expense wasn't qualified – the employee will have to pay back the amount. Employees should send payment to:

Humana Spending Account Administration
P.O. Box 14167
Lexington, KY 40512-4167

They can also pay by phone or web: Call toll-free at 1-800-604-6228 and repay their expense by phone. To pay by web, they should log on to MyHumana, go to spending accounts and click the 'repay' link. For either option they will need to provide their checking account number and routing number to have the funds transferred from their checking account to their spending account.

Here's a general timeline of how and when Humana verifies PCA claims: Flexibility in the number of letters is available. Some customers prefer a "one and done" approach, while others prefer a two-letter approach as described below:

- **Day 1** – Card transaction takes place
- **Day 31** – If Humana can't verify the expense automatically within 30 days, a letter is sent to the employee in the mail requesting an itemized receipt or EOB
- **Day 61** – If we don't receive verification or repayment within 60 days of the first letter, a second letter is sent to the employee
- **Day 91** – If we still haven't heard from the employee, we turn off the Humana Access Card; to reactivate the card, the employee needs to send verification or pay back the amount of the PCA transaction

Even if the Humana Access Card is turned off, the employee still has access to his or her health benefits – the employee just can't pay for anything with the Humana Access Card.

If an employee doesn't repay the spending account or submit verification, the claim(s) will remain outstanding and in violation of IRS substantiation requirements. As the employer and plan sponsor, you may take the following actions:

- Include the amount of the unsubstantiated transaction(s) in the participant's W-2 income. This will result in income and employment taxes.
- As a last resort, you can deduct this amount from the employee's payroll, if your state law permits. Humana suggests you talk to your legal counsel or tax advisor before pursuing these measures.

To verify as many transactions as possible automatically, Humana employs a variety of techniques to auto-substantiate claims, including:

- **Copayment matching** – Matches any card transaction with the copayment(s) recorded for the employee or covered dependent.
- **Paid claims matching** – Matches any member responsibility on a claim processed by Humana to a card transaction for an employee or covered dependent.
- **Pharmacy real-time matching** – The Pharmacy Benefits Manager (PBM) communicates the member responsibility to Humana’s card processor, and the processor attempts to match the amount with incoming card transactions from the pharmacy.
- **Recurring expense** – When a transaction can’t be auto-substantiated and the employee provides verification, that transaction is marked in Humana’s systems as a “recurring expense.” If the employee has the same debit card transaction at a later date, the transaction will be auto-substantiated.
- **Accumulator process** – Verifies the sum of member responsibility for paid claims is greater than or equal to the sum of card transactions for the same employee. An example:

Paid claims member responsibility		Card transactions	
1/15	\$25	2/1	\$75
1/31	\$50	3/1	\$110
2/20	\$125		
Total:	\$200	Total	\$185

Since \$185 in card transactions is less than \$200 in member responsibility, each of the card transactions would be marked as substantiated in this case.

Debit cards are regulated as well. They must conform to various banking regulations, rules set by the issuing banks, and rules set by the financial networks (Visa, MasterCard, etc.). The most important rules relate to card use and who is responsible for misused funds, etc. Each card program has a cardholder agreement outlining the rules for a specific card. Employees receive the cardholder agreement along with the card at the beginning of the plan year.

If you have questions about verifying expenses, feel free to call us at 1-800-604-6228.

How a PCA works with an FSA

Pay order

Employees who have a PCA and a healthcare Flexible Spending Account (FSA) receive just one Humana Access Card for both accounts.

Humana's strategy is to access funds from the FSA first, before the PCA. The rationale for Humana's approach is that when employees self-fund a portion of their care, they use their benefits differently. By accessing the FSA first, the employee is using his or her own money – which encourages the employee to be more involved in healthcare decision-making. Putting the PCA before the FSA discourages employees from contributing their own funds and paying for a portion of care. While this is our standard approach, we do make an exception to the rule for some customers.

Whichever account comes first, once an employee depletes the balance in the first account, Humana starts paying expenses from the second account automatically. The only exception is if the two accounts have different qualified expense categories. If an expense isn't eligible for PCA payment, but is qualified for FSA payment, we'll draw from the FSA automatically – and vice versa. Otherwise, we use the standard pay order.

Employees can confirm which account is used first in the Benefit Plan Document.

Other Information

Employee communications and contacts

The importance of an employee communications plan

A well-thought-out communications plan is the key.

- **Encouraging employee involvement** – When employees become more involved in choosing and using their benefits, they naturally start changing their behavior. Industry research, as well as Humana’s own experience, indicates that informed employees can actually reduce healthcare costs for themselves and their employers.
- **Driving participation** – The more your employees know and understand the benefits of having a PCA, the more your employees will want to choose the PCA plan.
- **Increase understanding of PCAs** – Because PCAs are IRS-regulated plans, and because employers have flexibility in plan design, it’s important for employees to know their plan rules – especially what items are qualified and claim verification.

Account management tools and guidance

To check their PCA balance online, employees can log in to MyHumana and click the “Spending Accounts” link on the “Claims & Spending” menu. The website includes the most up-to-date information about the account.

Employees can also get up-to-date information about their account balance over the phone through our automated voice-response system. To access the Customer Service system, members call the Spending Account Customer Service number on the back of their Humana Access Card.

In addition, PCA participants receive a quarterly statement mailed to their home. This statement provides information about the employee’s account balance and transactions.

The account balance is one of many pieces of information available on MyHumana. Employees can also log in to MyHumana to:

- Review all posted and pending PCA transactions
- Request additional Humana Access Cards
- Download a reimbursement form
- Review frequently asked questions about the PCA
- See a sample list of qualified expenses – this list is only a guide; employees need to check with their employer for specifics

To register for MyHumana, employees just go to Humana.com, click the “Register for MyHumana” button, and follow the easy instructions.

Employee contact information

Your employees can contact Humana in a variety of ways:

- Phone number for the Spending Account Administration area that addresses employees’ PCA questions: 1-800-604-6228

Representatives are available from 8 a.m. to 7 p.m. Eastern time. However, employees can get automated information using the same number 24 hours a day.

- Mailing address for employees’ PCA reimbursement and claim verification:

Humana Spending Account Administration
P.O. Box 14167
Lexington, KY 40512-4167

- Fax number for employees’ PCA reimbursement: 1-800-905-1851

Once Humana receives a claim for reimbursement or a response to a request for documentation for a Humana Access Card expense, it’s processed within two to three business days.

COBRA and life events

COBRA implications and employee terminations

If an employee leaves your company or organization, the employee has a run-out period – a “window” during which he or she can file claims for expenses incurred before leaving the employer. In this situation, the former employee needs to file for reimbursement rather than use the Humana Access Card.

Special rules apply for employees who go on COBRA:

- If the former employee has funds in the PCA at the time of the COBRA-qualifying event, the employer must offer the option of COBRA for the PCA until the end of the current plan year.
- The employee is allowed to choose the PCA plan again if he or she is still on COBRA for the next open enrollment, as long as the former employer offers the PCA plan to similarly situated, active employees; the employee must receive the same PCA election amount an active employee with the same coverage level would receive.
- The former employer may charge the COBRA participant for the cost of providing COBRA access to the PCA (up to 102 percent of the cost of providing the PCA to an active employee).
- The employee may be able to use PCA funds to pay COBRA premiums – the Benefit Plan Document provides further details.

Enrolling in Medicare

Once an employee enrolls in Medicare, the employer can continue to fund his or her PCA – but only if he or she continues to work. PCAs aren’t available to people who are retired or self-employed.

Live events

Any life event that has an impact on an employee’s health plan coverage can have an impact on the PCA. For example:

- **Marriage** – If an employee gets married during the plan year and changes from employee-only coverage to family coverage, the PCA amount may go up
- **Adding dependents** – If an employee adds a dependent, the PCA amount may go up
- **Divorce** – If the divorce causes a change in coverage level – for instance, from family to employee-only, the PCA amount may go down

Humana group medical plans are offered by Humana Medical Plan, Inc., Humana Employers Health Plan of Georgia, Inc., Humana Health Plan, Inc., Humana Health Benefit Plan of Louisiana, Inc., Humana Health Plan of Ohio, Inc., Humana Health Plans of Puerto Rico, Inc. License # 00235-0008, Humana Wisconsin Health Organization Insurance Corporation, or Humana Health Plan of Texas, Inc., or insured by Humana Health Insurance Company of Florida, Inc., Humana Health Plan, Inc., Humana Health Benefit Plan of Louisiana, Inc., Humana Insurance Company, Humana Insurance Company of Kentucky, Humana Insurance of Puerto Rico, Inc. License # 00187-0009, or administered by Humana Insurance Company or Humana Health Plan, Inc.

Statements in languages other than English contained in the advertisement do not necessarily reflect the exact contents of the policy written in English, because of possible linguistic differences. In the event of a dispute, the policy as written in English is considered the controlling authority.

For Arizona Residents: Offered by Humana Health Plan, Inc. or insured by Humana Insurance Company. Administered by Humana Insurance Company.

Please refer to your Benefit Plan Document (Certificate of Coverage/Insurance or Summary Plan Description) for more information on the company providing your benefits.

Our health benefit plans have exclusions and limitations and terms under which the coverage may be continued in force or discontinued. For costs and complete details of the coverage, call or write your Humana insurance agent or broker.

FSA, PCA, and HSA spending accounts are not insured benefits; they are a service administered by Humana Insurance Company.

