

# Humana Access Spending Accounts

**Humana**

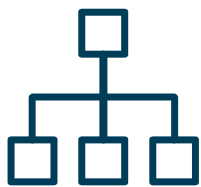
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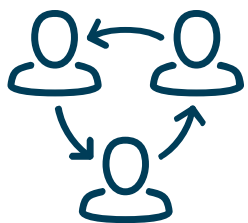
# Bridge the gap between an employee's health plan and their wallet

## Rising Healthcare Costs



### Your Company

- Needs to reduce costs
- Needs to attract and retain talent
- Wants financially well, healthy, productive employees



### Your Employees

- Face increased healthcare financial responsibility
- Have out-of-pocket costs no matter which health plan (deductibles, co-pays, prescriptions, co-insurance, etc.)

## Humana Access Solution

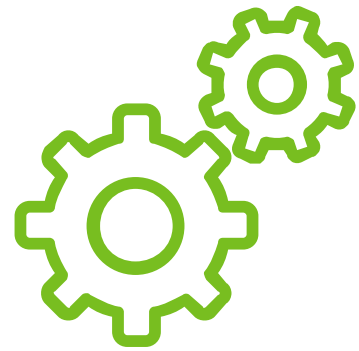
- **Save an average of 7.65%\*** on payroll taxes for every dollar contributed
- **Increase employee satisfaction**
- **Save money** by using pre-tax dollars for out-of-pocket expenses
- Increase engagement → More cost-conscious decisions → **Greater financial wellness**

\*Based on average FICA tax rate.  
This material is provided for informational use only and should not be construed as tax advice or used in place of consulting a tax professional.

**54%** of health savings account holders are more confident than the general public when it comes to forecasting out-of-pocket costs\*



# Why You'll Love Humana Access



## Health plan and spending account integration

- One trusted source to turn to for support
- Integrated claims processing
- Improved auto-substantiation
- Cohesive experience for both you and your employees



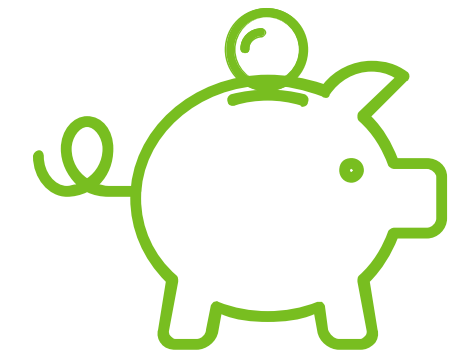
## Simple administration saves you time

- Consolidated billing
- Flexible funding options in a real-time environment
- Integrated enrollment & eligibility
- Easy-to-navigate employer portal



## Educational resources to drive enrollment & usage

- Protects your investment
- Engages employees
- Helps employees understand how to use their accounts
- Helps employees make informed decisions



## Competitively priced

- Flat rate pricing
- Low cost addition to medical benefits package
- Economical bundling options—only pay for the first account



90% of consumers want to better understand & engage in the management of their healthcare\*.

# Member Experience

## Debit card

- One card for all accounts

## Educational resources

- Multimedia account tutorials and videos
- Interactive contribution and estimated tax saving calculators

## Online Access

- Account information
- Tools and education
- Marketplace for eligible expenses
- Critical updates
- Self-service functions
- Mobile friendly

## Process

- Integrated claims payment processing
- High rate of auto-substantiation
- Streamlined overpayment process
- Ability to pay providers

## Messaging tools

- Real-time text notifications to alert employees about claim status or actions they need to take



Debit card automatically pays for eligible expenses from the right account based on your plan rules

# Humana Access Marketplace

## Convenience for members

- Takes the guesswork out of purchases by identifying HSA- and FSA-eligible goods and services
- Self-service allows members to easily browse and shop marketplace partners
- Auto substantiation across marketplace partners for all purchases made with Humana Access debit card
- Partners:
  - Humana Pharmacy
  - Doctor On Demand (virtual visits)
  - FSA Store
  - HSA Store
  - Health Credit Services
  - Virtual Hearing Solutions

**Stretch your account dollars further**

Click on the "stores" below to shop and save on eligible goods and services

**SEARCH**  
Search for eligible products by using the checkboxes to filter the list of "stores"

**SHOP**  
Shop by clicking to enter one of the virtual stores

**SAVE**  
Save big on eligible products and services using your tax-free account dollars

**WHAT TYPE OF ELIGIBLE PRODUCT ARE YOU SHOPPING FOR?**

- ☒ Pharmacy
- ☒ Over-the-Counter
- ☒ Medical
- ☒ Dental
- ☒ Vision
- ☒ Hearing
- ☒ Financing

**Humana Pharmacy**

Humana Pharmacy does more than just fill your prescriptions. We're on your side with expert care and cost-effective options to help you achieve your best health. And we're ranked "Highest in Customer Satisfaction with Mail Order Pharmacies, 2 Years in a Row."

**SHOP NOW**

**dr. on demand**

Doctor On Demand's US-based and board-certified doctors and licensed therapists are here to serve you—when it works for you. See a doctor or therapist through video right from your smartphone. Available nationwide, 365 days a year.

**SHOP NOW**

**FSA store**

The only ecommerce site exclusively stocked with FSA eligible products and services. In addition to more than four thousand FSA eligible products the site offers a national

**HSA store**

The only ecommerce site exclusively stocked with HSA eligible products and services. In addition to more than four thousand HSA eligible products the site offers a national

# Humana Access® Spending Accounts at a glance

Benefits	HSA	HRA	FSA	LFSA	DCFSA
Available with any medical plan	Only available with high-deductible health plans	Yes	Yes	Yes (often paired with HSA or HRA)	Yes
Annual contribution limits for 2022 Increased for 2023 plan year to:	\$3,650 self / \$7,300 family \$3,850 self / \$7,750 family	No limit	\$2,850 \$3,050	\$2,850 \$3,050	\$5,000
Contributions are tax-free	Yes	Yes	Yes	Yes	Yes
Employer contributions allowed	Yes	Yes	Yes	Yes	Yes
Humana Access card makes it easy to access funds	Yes	Yes (autopay available)	Yes	Yes	Yes
Funds are available first day of plan year	Funds are available as contributions are added	Yes	Yes	Yes	Funds are available as contributions are added
Unused funds may carry over year to year	Yes	Determined by employer	Yes, up to \$610	Yes, up to \$610	No
Funds belong to employee if they leave or retire	Yes	No	No	No	No
Employees can change their election at any time during the year	Yes	Funded by employer	No	No	No
The IRS requires spending account administrators to verify all claims, so employees must save receipts	Yes*	Yes	Yes	Yes	Yes
Opportunity to invest funds for growth	Yes	No	No	No	No
Can be used for copayments	Yes	Yes	Yes	Yes	No

\*The IRS does not require HSA claims to be verified by the account administrator, but receipts should be saved in case of a personal IRS audit.  
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# Affordable Rates

	Per participant (member) per month cost:
Health Savings Account	\$3 PPPM
Health Reimbursement Arrangement	\$4 PPPM
Flexible Spending Account	\$4 PPPM (includes both healthcare & dependent care FSA)
<b>Bundled Spending Accounts</b>	
HSA + any combination of accounts	\$3 PPPM (If the employer chooses to have employees pay their HSA fee, the HSA bundle rate would not apply. The employer would only be charged individual HRA and FSA rate stated above or bundled HRA+FSA rate below, depending on the participants elections.)
HRA + FSA	\$4 PPPM (includes both healthcare & dependent care FSA)
Non-discrimination testing	\$400 annual flat fee

## Requirements:

- All Humana Access Spending Accounts are available to clients of any size when sold with a Humana medical plan.
- Member must be enrolled in a Humana high-deductible health plan in order to enroll in a Health Savings Account.



# Health savings account (HSA)

Save for today, save for tomorrow

## What is it?

An HSA is a tax-advantaged account that allows members to save for qualified healthcare costs now, **and into the future.**

Status	2022 Limits	2023 Limits	55+ Catchup
Single	\$3,650	\$3,850	\$1,000
Family	\$7,300	\$7,200	\$1,000



Humana High-Deductible Health Plans are compatible with an HSA

## What you need to know about an HSA:

- Members must be enrolled in a qualified **High-Deductible Health Plan**
- **Triple tax advantage:** Money goes in tax-free, savings grow tax-free, withdrawals are tax-free if used for eligible items
- **Account stays with the member**, even if they change jobs
- **Employers and members** can contribute to HSA
- Members can adjust their contribution amount **at any time**
- **No use it or lose it rule**, save what they don't spend
- **Invest savings for growth**, just like a 401k



HSA participants are **46% more likely** to research and compare costs\*

\*2018 Alegeus HSA Participant Profile Report  
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# Flexible spending account (FSA)

Tax-free savings for medical, dental, & vision


## What is it?

An FSA is a tax-advantaged account that allows members to save for qualified healthcare costs **for this plan year.**

	2022	2023
Maximum Election	\$2,850	\$3,050

## What you need to know about an FSA:

- Pre-tax contributions **lower taxable income**, making each dollar stretch 30% further
- Full election amount is **available first day of the plan year** – like a tax-free, interest-free loan
- Election **changes require a qualifying event**, like a health plan
- Employers can choose to **rollover** (up to \$610) or allow a **grace period** (up to 2.5 months) at year end for members to spend unused funds



Can be offered with any Humana health plan

# Limited FSA (LFSA)

Extend HSA tax savings for dental & vision

## What is it?

A limited purpose FSA is a tax-advantaged account that can be combined with an HSA and allows members to save specifically for **vision & dental expenses**.

	2022	2023
Maximum Election	\$2,850	\$3,050



Can be offered with any Humana health plan in combination with an HSA or HRA

## What you need to know about a Limited FSA:

- Pre-tax contributions **lower taxable income**, making each dollar stretch 30% further
- Full election amount is **available first day of the plan year** – like a tax-free, interest-free loan
- Election **changes require a qualifying event**, like a health plan
- Employers can choose to **roll over** (up to \$610) or allow a **grace period** (up to 2.5 months) at year end for members to spend unused funds

# Dependent care FSA (DCFSA)

Save on the cost of care for loved ones, young or old

## What is it?

A dependent care account is a tax-advantaged account that allows members to save tax-free for **qualified dependent care in order to work**.

Tax Status	Annual Max
Married*	\$5,000
Single	\$5,000

## What you need to know about a DCFSA:

- Types of **expenses** a dependent care account qualifies for include:
  - Day care
  - Custodial care for adults
  - Day camps
  - Nursey schools
- Includes **children** or **relatives** as defined in IRS code section 152



Can be offered with any Humana health plan in combination with other healthcare accounts

\$2,500 if married and filing separately.  
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# Health reimbursement arrangement (HRA)

An employer-funded account to help offset out-of-pocket healthcare expenses

## What is it?

An HRA is a tax-advantaged account that is funded by the employer to help pay for healthcare expenses not covered by the health plan.

## What you need to know about an HRA:

- **Fully funded by the employer** – a direct and highly visible way to help offset employee healthcare costs
- **Multiple plan designs** available to support your specific consumer-driven healthcare strategy
- Contributions are **non-taxable**
- **Flexibility to determine carryover** – employers may allow unused funds to carry over to next year, as long as the employee chooses the same type of plan.
- Subject to **continuing of coverage** as provided by COBRA



Can be offered with any Humana health plan with no contribution limits

# Best Practices



## Seed accounts

Employees are **70%\*** more likely to contribute to their HSA when employer contributes too



## Offer FSAs

No additional admin fee to pair HSA or HRA with healthcare & dependent care FSAs



## HumanaAccess.com

Encourage members to register their online account.

# HRA Plan Designs





# HRA plan options

**Contribution:** How much do you want to contribute to the HRA? (by family status, no IRS limit)

**Availability of funds\*:** When will the HRA funds be available to members? Does the member need to meet a portion of the medical plan deductible before HRA pays? (see next section)

**Access to funds:**

1. We recommend using a “carded” plan design where employees access their funds using a debit card. Cards encourage members to be better consumers.
2. We also offer “autopay” where healthcare providers or members are automatically reimbursed for expenses without a debit card.

**FSA:** Do you want to offer your employees the added tax-savings of a Limited Flexible Spending Account for no additional cost?

**Rollover:** Will unused funds rollover to the next year? You can set a percentage, maximum amount or none.

**Covered expenses:** Which IRS-eligible expenses do you want the HRA to cover?

- ☐ Medical plan claims (deductible, copays, coinsurance)
- ☐ Vision plan claims (deductible, copays, coinsurance)
- ☐ Dental plan claims (deductible, copays, coinsurance)
- ☐ Rx only
- ☐ COBRA
- ☐ Durable medical equipment
- ☐ Over-the-counter medication
- ☐ Transportation mileage for healthcare
- ☐ Capital expenditures



# Upfront HRAs



## HRA pays first

HRA funds are **available Day 1** of plan year. The member does not need to meet the medical plan deductible or any other requirements before HRA funds are available.

## Optional

Can be paired with a Limited FSA.

## Good fit

Employers who want to help employees offset out of pocket expenses at the start of the plan year. Employees generally like this approach.

## Example

Medical plan deductible = \$4000  
HRA contribution = \$2000

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HRA pays first \$2000 of covered expenses, then member pays remaining \$2000 of medical plan deductible.

# Deductible-First HRAs



## HRA pays second

Member must meet a **portion of the medical plan deductible** before HRA funds can be used. HRA funds can then be used to pay the remainder of the medical plan deductible and other claim types, such as medical, Rx, co-pays, and co-insurance.

## Optional

Can be paired with a Limited FSA.

## Good fit

Employers who want to help employees with expenses while encouraging them to make thoughtful decisions regarding healthcare utilization.

## Example

Medical plan deductible = \$3000

HRA contribution = \$1500

HRA deductible requirement = \$1500

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Member pays first \$1500 of medical plan deductible, then HRA pays remaining \$1500 of deductible.



Humana Access debit card is NOT available with this HRA.

# Sandwich / Bridge Deductible



## HRA pays first and last

HRA pays first towards covered expenses up to a pre-established amount, then the **member pays the middle** portion of the medical plan deductible, then the HRA pays towards remaining deductible or other plan expenses.

## Optional

Can be paired with a Limited FSA.

## Good fit

Employers who want to help employees offset out of pocket expenses at the start of the plan year while encouraging employees to be wise consumers of healthcare.

## Example

Medical plan deductible = \$4000  
HRA contribution = \$2000  
HRA split = \$1000 / \$2000 / \$1000

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HRA pays first \$1000 of deductible, then member pays the next \$2000 of deductible, then HRA pays the remaining \$1000 of the deductible.



Humana Access debit card is NOT available with this HRA.

# HRA Plan Summary

HRA Plan Design	When are funds available?	How are funds accessed? (choose 1)			What expenses are covered?	Can be paired with Limited Purpose FSA?
		Debit Card	Auto Pay Providers	Auto Reimburse Members		
Upfront	HRA pays first. Funds available to member Day 1 of plan year.	Yes	Yes	Yes	Any IRS-eligible	Yes
Deductible First	HRA pays second. Member must meet a portion of the medical plan deductible before HRA is available.	No	Yes	Yes	Any IRS-eligible	Yes
Sandwich/Bridge	HRA pays first and last. HRA pays first, then member pays a portion of medical plan deductible, then HRA pays towards remaining deductible or other plan expenses.	No	Yes	Yes	Any IRS-eligible	Yes



Thank you

**Humana**



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