



Employer Update

July 2008

NEW HSA GUIDANCE RELEASED BY TREASURY

On June 25, 2008, the Treasury Department and Internal Revenue Service released new guidance for health savings accounts (HSAs). The guidance is comprised of 42 questions. It covers many different topics, including: eligible individuals, high deductible health plans, contributions, distributions, prohibited transactions, establishing an HSA, and administration.

Key Topics

- Health FSA and HRA Plans
Several questions and answers are provided regarding an individual's eligibility when a health FSA or HRA plan is also providing coverage.
- Veterans Affairs Benefits
A frequently asked question of HSA Bank, Notice 2008-59 identifies that an individual is eligible for an HSA even if he/she receives permitted coverage or preventive care benefits through the Department of Veteran Affairs (VA). However, individuals that receive medical benefits through the VA in the past three months are generally not eligible for an HSA.
- Employer Recoupment of Contributions
An employer can recoup contributions it makes to an employee's HSA only if the employee was never an eligible individual or the employer made contributions in excess of the maximum annual contribution amount. If the recoupment is being requested due to the latter, only the amount that is in excess may be recouped.
- HSA Establishment
Notice 2008-59 affirms the establishment of an HSA is based upon state law for establishment of a trust.
- Distributions for Medicare Premiums
Medicare Part D premiums for the account holder, the account holder's spouse, or the account holder's dependents are a qualified medical expense so long as the account holder has attained age 65. However, Medicare premiums are not considered a qualified medical expense if the account holder has not attained age 65, even if the account holder's spouse has attained age 65.

To download Notice 2008-59, please [click here](#).

HSA BANK RELEASES CONSUMER BENCHMARK SURVEY REPORT

On July 15th, HSA Bank released the survey results from its Consumer Benchmark Survey. The results indicate that high deductible health plan respondents are more likely to be engaged

consumers who ask about costs prior to making an appointment, seek information about generic prescription alternatives and select lower cost treatment alternatives.

In all, more than 730 respondents answered the 30-question survey, which was available between March 21 and April 30. Nearly two-thirds of the respondents had a high deductible health plan. Of those respondents, 87.8 percent also reported having a health savings account (HSA).

Additional highlights from the survey include:

- When rating their overall health, no statistically significant difference exists between the respondents with a high deductible health plan and those in a traditional health plan.
- Respondents with a high deductible health plan were no more or less likely to decide against or delay treatment due to cost when a treatment was recommended in the past 12 months.
- Nearly 73 percent of the respondents with a high deductible health plan chose that plan over a traditional health plan option.

We appreciate your help in passing along the survey to your employees. The information we collected from this survey will help HSA Bank further develop our HSA product to meet your needs – now and into the future. We also ask that you consider forwarding future survey requests to your employees so their opinions and needs may be considered in our potential product developments.

HSA Bank's Consumer Benchmark Survey Report is available for download by [clicking here](#).

BENEFITS OF EMPLOYER SITE?

Are you utilizing all of the resources available through the HSA Bank Employer Site? By signing into the site you can:

- Access Group Online Enrollment
- View and manage your list of employees with HSAs.
- Schedule one-time or recurring contributions made by employees, employers, or on a pre-tax basis
- Request to receive deposit confirmation emails
- Download valuable training and educational tools for you and your employees, including the Employer Welcome Kit, Employer Communication Kit, and instruction sheets.

To sign in visit: <https://secure.hsabank.com/employer/main/login.aspx>.

COMMUNICATION IS KEY

HSA Bank wants to provide you with tools to save you time and money and to assist you in educating your employees about HSAs and improving HSA plan acceptance. We have taken input from employers like you and have developed the *Employer Communications Kit*. The *Employer Communications Kit* provides you with pertinent and timely communications to distribute to your employees.

Post enrollment communication is available each month to download from our website. Communication topics for July and August include:

[Prescription Drugs](#) – consumer tips about generic prescription drugs

[Getting the Services You Need](#) – discusses the importance of becoming involved in healthcare

HSA Bank's Business Relations Coordinators can be reached at 866.357.5232, Monday through Friday, 7 a.m. to 7 p.m., CST.

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