



February 17, 2005



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BROKER BRIEFINGS **NEWS** *flash*

HSA Case Studies

In an effort to keep us all updated on questions and answers that are raised regarding Health Savings Accounts, RMHP will be sending “Case Studies” for you to reference as you enroll your clients in the Rocky Mountain Good Health Savings Plans and a Wells Fargo Health Savings Account. If you have any questions or scenarios that you want to share with us, please call your RMHP Account Executive, and we will communicate your case, questions, and answers to help all brokers. **RMHP launched its HSA partnership with Wells Fargo on February 1, 2005.**

Case Study #1

Employer Group enrolls in a High Deductible Health Plan on January 1, 2005, and opens an HSA on February 1.

Question #1: Can employees electing to open and contribute to an HSA retroactively contribute to their HSA for the entire calendar year, or must they wait and begin contributions on February 1, the date the HSA was opened?

Answer: For calendar year 2005, individuals can elect to contribute towards their HSA on the effective date of enrollment in a qualifying HDHP. In this case January 1, 2005, marks the beginning date for contributions into the HSA.

Question #2: Can employees electing to open and contribute to an HSA retroactively pay for services incurred in January 2005, even though the HSA was not opened until February?

Answer: No. Distributions for payment on qualified medical expenses are allowed only during the months in which the HSA was open. Since the HSA was not opened until February 1, 2005, distributions for services rendered in January are not eligible for reimbursement from the HSA.



BROKER BRIEFINGS NEWS FLASH

Case Study #2

Husband and Wife each have separate qualifying HDHPs. Husband is enrolled as an Individual under his HDHP with a \$2,000 deductible, and Wife is enrolled in a separate HDHP with family coverage and a \$6,000 family deductible.

Question: Can Husband contribute \$2,000 toward his qualifying HSA in addition to Wife's maximum family contribution of \$5,250?

Answer: Even though both Husband and Wife are eligible individuals, Husband and Wife are treated as having only family coverage. The maximum combined HSA contribution by Husband and Wife is \$5,250, to be divided between them by agreement.

Thank You!

As always, if you have any questions or comments or need assistance, please call your Rocky Mountain Health Plans Account Executive.

Grand Junction 970-244-7760 or 800-453-2981	Denver 303-689-7367 or 800-823-8356
Durango 970-385-5131 or 888-662-6489	Pueblo 719-253-3900 or 888-332-8963
Glenwood Springs 970-928-8618 or 800-793-1339	Colorado Springs 719-632-1237