

# My FSA handbook

2016 - 2017



How to get more from your  
flexible spending account

**Humana**<sup>®</sup>

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# Flexible spending account

All about using your flexible spending account (FSA)

## **A quick overview of FSAs**

**1 – 3**

Using your FSA handbook

FSA basics

Healthcare FSA advantages

Dependent care FSA advantages

Tax savings example

## **Putting money in your account**

**3 – 4**

FSA contribution rules

Paycheck deductions

## **How life changes affect your FSA**

**4 – 5**

Changing jobs

Enrolling in Medicare

Life events

## **Spending FSA funds**

**6 – 12**

Qualified expenses

If you use funds for non-qualified expenses

When you can start using your FSA

HumanaAccess® Visa® Debit Card overview

What to do when you receive your HumanaAccess card

Using your HumanaAccess card

Reasons your HumanaAccess card may be declined

Reimbursement from your account

Grace periods and run-out periods

Healthcare FSA rollover

Verifying your expenses are qualified

## **Keeping track of your account**

**14 – 15**

Checking your balance online or by phone

Online tool

Quarterly statements

## **Making your FSA go further**

**16 – 17**

Seven money-saving tips

**Look for this green box throughout your handbook**

for tips or more information on a key topic.

Rules, dates and amounts in this guide are valid as of March 2016, unless otherwise noted, and are subject to change.

# A quick overview of FSAs

## Using your FSA handbook

You made a smart choice to enroll in a flexible spending account (FSA) — an easy-to-use spending account that gives you lots of advantages. Understanding how your account works, and how you can use it, can help you maximize the advantages — and ensure quick and convenient access to your funds. That's where this guide comes in. Browse through it now — and keep it handy during the plan year in case you have questions.

## FSA basics

An FSA is a great way to reduce your healthcare or dependent care costs and make budgeting easier. When you set up an FSA, your employer takes money out of your paycheck before taxes. Then, you draw on the funds during the plan year to pay for qualified expenses. Make sure to set aside only as much as you'll use — with an FSA, you typically can use the money only for expenses during the current plan year.

Your employer determines what types of expenses are qualified, within guidelines defined by the Internal Revenue Service (IRS). Most employers' plans cover medical and dental, prescription drugs and vision services. However, your company may not include all of these categories. You can't use the money for experimental treatments, cosmetic procedures or insurance premiums. The dependent care account covers qualified expenses for adult daycare or childcare for a dependent who's younger than 13 or disabled.

You can find sample qualified expenses for healthcare and dependent care FSAs on MyHumana — your secure online account on [Humana.com](https://www.humana.com). Look for your employer's specific qualified expense categories in your Benefits Plan Document. To avoid any issues down the road, make sure to keep receipts every time you use FSA funds. Because of IRS rules, Humana may contact you to verify that your expense was qualified. See page 6 for more information.

## Healthcare FSA advantages

Here's why the FSA makes it easier to plan for healthcare expenses and make your money go further:

- **It saves you money on taxes** — Your FSA contributions don't count toward your taxable income for federal and state taxes. When you use tax-free dollars for items and services you'd normally pay for out of pocket, it's like getting a discount. See page 4 for more information.

- **You have money when you need it** — When you have money in your FSA, you have peace of mind knowing you can cover healthcare expenses when they come up. And budgeting is easier because you're paying a little with each paycheck, instead of paying a lot of money at one time.
- **Your entire healthcare FSA is available immediately** — You have access to the full annual amount of your healthcare FSA — even money that hasn't been deducted from your paycheck yet — on the first day of the plan year. See page 6 for more information.
- **It's easy to use** — The HumanaAccess card allows you to pay directly from your healthcare FSA, so you don't have to fill out forms and wait for reimbursement. At many healthcare provider locations, you can use your HumanaAccess card to pay directly from your account — just make sure to save your receipt in case we need to verify your expense. See pages 7 and 8 for more information.
- **You're in control** — You can use your money many ways, such as out-of-pocket costs like medical and pharmacy copayments, dental expenses, vision care and more.

### Dependent care FSA advantages

A dependent care FSA allows you to set aside pretax funds to pay for childcare and similar services — such as day care or adult care — for a qualified person. Advantages of a dependent care FSA:

- **It saves you money on taxes** — The dependent care account reduces your federal and state income taxes — a plus for your budget! See page 3 for more information.
- **Funding is automatic** — Dependent care FSA contributions come out of your paycheck automatically, so you know the money is there when you need it.
- **It's easy to access your money** — Just keep your receipts and then file a claim for reimbursement. Reimbursement forms are available online, by phone and from your employer.

### Tax savings example

Sure, your paycheck may look a little smaller when you have an FSA — but if you use all your FSA funds, you get that money back. Remember: You're using your FSA to pay for something you'd buy anyway. Instead of using your take-home pay — money the IRS has already taken a cut of — you're spending money the government hasn't touched. For example, if your tax rate is 28 percent, you're getting 28 percent more spending power for the same amount of money.

### Example: Laura

Last year, Laura made \$28,000 and put \$1,500 in her healthcare FSA. The example below shows how much she saved by using the pretax money for qualified health expenses. Without an FSA, she would have paid for these expenses from her take-home pay, which she paid taxes on.

Example of annual tax savings*	With FSA	Without FSA
Laura's taxable income	\$28,000	\$28,000
Pretax money deposited into her FSA	-\$1,500	-\$0
Laura's remaining taxable income	\$26,500	\$28,000
Minus federal and Social Security taxes	-\$9,447	-\$9,982
Take-home pay spent on qualified expenses	-\$0	-\$1,500
Laura's remaining take-home pay	\$17,053	\$16,518

\*This example is intended to demonstrate a typical tax savings based on 28 percent federal and 7.65 percent FICA taxes. Actual savings will vary based on your tax situation.

**Summary:** Putting pretax money in an FSA saves Laura \$535 on her federal tax bill — plus, she'll save on state taxes as well. And she's prepared to handle expenses when they come up, so she doesn't need to dip into her take-home pay or use a credit card.

## Putting money in your account

### FSA contribution rules

The only rule about when you can contribute to an FSA is that you need to sign up during your benefits enrollment period. After you choose your contribution amount, you can change it during the year only if you have a “qualifying life event.” You can't change the contribution amount because you're not going to use all the funds — for instance, if you put money in the FSA for Lasik and find out later that you're not a good candidate for the procedure. See page 5 to find out about circumstances that allow you to change your FSA contribution or add an FSA during the year.

The IRS doesn't specify that you need to have a certain kind of health plan to have an FSA. In fact, you can sign up for an FSA even if you opt out of your employer's health plan. Your employer is required to set a maximum annual contribution for your healthcare FSA. If you and your spouse work for different companies that offer a healthcare FSA at or below the \$2,550 maximum contribution spending account limit set by the IRS, both of you can contribute the maximum allowed by each employer.

For the dependent care account, the IRS allows each household to contribute up to \$5,000 each year. If you and your spouse both have a dependent care FSA and you file your taxes separately, the maximum contribution is \$5,000 combined.

### **Paycheck deductions**

When you enrolled, you authorized your employer to deduct FSA contributions from your paycheck. The amount you elected was a total annual contribution amount. Based on that amount, FSA funds will come out of each paycheck automatically, beginning with the first paycheck after the effective date of the new plan year.

To figure out how much will come out of each paycheck, divide your annual contribution by your number of pay periods per year. For example, if you contribute \$600 a year, and you get paid monthly, you'll set aside \$50 from each paycheck for your FSA.

### **Important Note:**

Effective Jan. 1, 2015, the IRS set a maximum limit of \$2,550 for the Healthcare FSA annual contribution amount.

## How life changes affect your FSA

### **Changing jobs**

If you leave your current employer, you can't take FSA funds with you — but you do have a window of time when you can file claims for expenses you had before you left your employer. The window, or “run-out period,” is typically 90 days from your termination date — but check your Benefits Plan Document to confirm. When using FSA funds during the run-out period, you'll need to file a claim for reimbursement rather than use the HumanaAccess card. But keep in mind that you can file claims only for charges that were incurred during the plan year and before you left your job.

COBRA — the “Consolidated Omnibus Budget Reconciliation Act,” which allows you to continue group health coverage when you leave an employer — may be available:

- If you have funds left in your FSA as of the date you left your job, you can continue to use those funds for qualified expenses through your claims filing deadline or until the funds are gone — whichever comes first. Generally, your former employer does not have to offer COBRA beyond the end of the year in which your COBRA event occurred.

- In addition to the guidelines above, after your funds are gone, your former employer doesn't have to extend your FSA — even though you can continue other coverage, like medical and dental insurance, for 18 – 36 months.
- Also, your former employer is allowed to charge an “FSA premium” each month to cover the cost of administering your FSA. Since dependent care is not subject to COBRA, you may not be able to access your dependent care funds. However, you can use the funds for expenses incurred during the plan year, including expenses after you left your employer. Check your Benefits Plan Document to determine if you can use dependent care funds after you leave your employer.

## Enrolling in Medicare

After you enroll in Medicare, you can still contribute to an FSA — but only if you continue working. FSAs aren't available to people who are retired or self-employed.

## Life events

Almost anything that affects your health plan coverage can have an impact on your FSA, too. Your employer may allow you to change your FSA contribution amount — or start contributing, if you waived the FSA during open enrollment — when you have a “qualifying life event.”

Qualifying life events vary by employer, but they usually include:

- Marriage
- Divorce
- Birth or adoption
- Death of a spouse or child
- Legal guardianship change

In addition, your employer may allow you to change your benefits when your spouse has open enrollment or if he or she loses insurance coverage.

The life event determines how you can change your FSA contribution amount. If you're adding someone to your plan — for example, a newly adopted child — you can increase the amount. If you're removing someone from your plan — for instance, because of a divorce — you can decrease your contribution amount, but you can't put more in your FSA.

## An exception for dependent care accounts

With a dependent care FSA, you can change your contribution amount — within IRS limits — if your dependent care provider changes costs or if you change providers during the plan year. Check with your benefits administrator for details.

# Spending FSA funds

## Qualified expenses

You can spend healthcare FSA funds on items approved by your employer and the IRS. Most employers typically allow:

- Doctor's office visits
- Dental services
- Eye exams, eyeglasses, contact lenses and solution, and Lasik
- Hearing aids
- Orthodontia, dental cleanings and fillings
- Prescription drugs
- Physical therapy, speech therapy and chiropractic expenses
- Over-the-counter (OTC) medications (now require a prescription)

You can see a sample list of qualified expenses on MyHumana. But remember: **Your employer determines which of the services noted above are covered under your plan.**

## Save your receipts!

Every time you use FSA funds, put your receipt in a designated folder or envelope. As you'll see later in the "Verifying your expenses are qualified" section, keeping your receipts handy will save you lots of time if you have to prove your expense was qualified.

## If you use funds for non-qualified expenses

If you use FSA funds for a non-qualified expense (NQE), you'll need to pay the money back to your account in one of two ways:

- Call us toll-free at **1-800-604-6228** and repay your NQE by phone. Provide your checking account number and routing number to have the funds transferred from your checking account to your spending account.
- Send your payment to:

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

## When you can start using your FSA

For a healthcare FSA, after your plan year begins, you can start spending FSA money immediately. One of the benefits of a healthcare FSA is that you can "pre-spend" the money — meaning you can use the entire amount of your annual election, even before the money comes out of your paycheck.

With a dependent care FSA, you can only use those funds that are actually in the account. So the amount you can get reimbursed at any given time is based on your account balance, not your annual contribution amount.

## HumanaAccess card overview

For most transactions, the HumanaAccess card is the fastest, easiest way to spend FSA funds:

- It draws money from your account instantly
- You don't have to pay out of pocket and then wait for reimbursement
- It works at many healthcare provider locations, from doctors' offices to pharmacies and eye doctors
- And, if you have a Humana medical plan, it doubles as your Humana member ID card

The card looks like any debit card — **except it only works at healthcare provider locations like doctors' and dentists' offices, pharmacies and vision care providers.** You can't use the card at “non-health-related” locations like restaurants or gas stations — even if you're buying a qualified item. Also, you can't use the card at ATMs or get cash back at a store.

In addition, you can use the card only for categories of healthcare services your employer allows as qualified expenses. The categories may include one or more of the following:

- Medical
- Vision
- Durable medical equipment
- Dental
- Prescription drugs

The “zero liability” feature guarantees maximum protection against fraud if your HumanaAccess card is stolen and used for unauthorized purchases. If you're a victim of fraud, simply call Humana at **1-800-604-6228**. If the unauthorized purchase is fraudulent, you aren't financially responsible.

## What to do when you receive your HumanaAccess card

Humana sends your HumanaAccess card in the mail.

### When you receive the card:

- **Activate it right away**, so the card is ready to go when you need it. Call the toll-free activation number on the card, **1-888-894-2201**, and follow the instructions on the recorded message.
- **Sign the back of the card.**
- **Read and save the enclosed insert**, which gives you more tips on using the card.

If you get more than one card, you need to activate only one for both to work. **By activating the card, you accept the terms and conditions outlined in the cardholder agreement.**

### **Call 1-800-604-6228 if your card is lost or stolen**

If your card is lost, call Humana's Spending Account Administration line right away, so we can protect your account balance and get a new card to you immediately. Representatives are available 8 a.m. – 7 p.m., Eastern time — but you can alert us anytime using our automated information line, which is available 24 hours a day, seven days a week through the same phone number.

## **Using your HumanaAccess card**

### **To pay doctor's bills using your HumanaAccess card:**

- If your health plan has copayments, you can swipe the HumanaAccess card at the doctor's office.
- If your health plan doesn't have copayments, wait for the doctor to send you a bill showing Humana's discounted rate and what you owe. See below for information about what to do if the office staff wants payment before Humana processes your claim.
- Check the credit card payment box on the bill, write your card number and expiration date and mail the bill back to your doctor — or you can call the doctor's office and give your card number over the phone.
- Pay the balance another way such as with a personal check if the doctor's office doesn't take debit card payments. Then, get reimbursed from your FSA. See page 9 for instructions on reimbursement.

Most providers don't mind waiting to send you a bill after Humana processes your claim. That way, they know you're paying exactly what you're responsible for, such as your deductible or coinsurance amount. However, providers are allowed to request payment up front — and some do. Here's how you can handle such a request:

- 1. Use the Easy Pay Consent Form** — With this form, you give a provider written authorization to debit your account after Humana processes your claim and determines the amount you're responsible for. You can limit the amount a provider can debit, specify a date range or limit the number of transactions. Go to **Humana.com** and type Easy Pay Consent Form in the search box to find a printable version of the form.

**2. Pay an estimated charge and then adjust it later** — If the office staff prefers to run your HumanaAccess card while you're there, it's OK to do so. Then, wait for Humana to send your Explanation of Benefits (EOB) — the document that shows what your plan paid and the amount you owe.

- **If you paid too little** — The doctor's office will bill you for the balance. You can use your HumanaAccess card to pay this amount after the bill arrives.
- **If you paid too much** — You have to pay the extra amount back to your spending account. Ask the doctor's office staff to credit your HumanaAccess card. If the provider mails you a check instead, you can write a personal check to repay your account. Make the check out to Humana, write the claim number on the check and mail your payment to:

**Humana Spending Account Administration**

**P.O. Box 14167**

**Lexington, KY 40512-4167**

**To use your HumanaAccess card at a pharmacy for prescription drugs:**

- **Present your card for payment** or swipe it through the credit card machine.
- **Enter your personal identification number (PIN)** if the machine requests it when using your HumanaAccess card to pay for qualified expenses. Your card comes with a preassigned PIN that is mailed to you separately from your card. If you don't receive your PIN, the merchant can use your HumanaAccess card like a credit card and process it with your signature. If you would like to get your PIN, please go to **Humana.com** and sign in to MyHumana to get it. Or, call Humana's Spending Account Administration at **1-800-604-6228** to have it mailed to the address we have on file.
- **Sign the receipt** and save a copy for your records.

Some employers include qualified over-the-counter (OTC) healthcare items as qualified expenses. IRS-qualified OTC items include pain relievers and allergy medicines — but not vitamins or supplements. OTC medicines (such as pain relievers, cold medicine and antihistamines) require a prescription to be eligible for FSA reimbursement. You can't use your HumanaAccess card to purchase OTC medicines.

Please check with your employer first to see if your FSA can be used for OTCs. To use your FSA for OTCs, you'll need to save your receipts and prescriptions and file for reimbursement. The HumanaAccess card can be used to purchase OTCs that aren't medicines, like bandages and contact lens solution.

The list of sample expenses on MyHumana shows you which OTCs are generally considered qualified. But before you use FSA funds for OTCs, make sure to check your employer's rules to see if OTCs are allowed.

### **Reasons your HumanaAccess card may be declined**

As long as you've activated your card, and you're purchasing qualified items, the card should work like a charm. To help you avoid any problems, here are some reasons the HumanaAccess card may not work:

- You pressed "debit" instead of "credit" and don't know your PIN
- You're using the card for a nonqualified expense
- You haven't activated the card
- You included non-qualified items, like chewing gum, in your pharmacy purchase — try the transaction again with qualified items only
- You are at a qualified merchant, but their payment software may not be set up correctly

**If your card was declined and you feel the expense qualifies, pay another way and then submit a reimbursement request.**

### **Call 1-800-604-6228 if you have problems with your card**

If you've tried all the suggestions above and your card still doesn't work, just call Humana's Spending Account Administration team toll-free, and we'll help you figure it out. Representatives are available 8 a.m. – 7 p.m., Eastern time. You don't have to memorize the phone number — it's on the back of the HumanaAccess card.

## Reimbursement from your account

There may be times when a provider does not accept the HumanaAccess card. In those cases, Humana has two easy methods for receiving your reimbursement:

- **Submit a request on MyHumana** — Go to the “Coverage, Claims & Spending” section at the top of the page. Then, go to the “Spending Accounts” link and click on the spending account you want. This takes you to a page that shows “Related Links.” Click on the “Request Reimbursement” link and fill out the Electronic Request Form. Then, fax or mail the completed form with a copy of the receipt or EOB to the address on the form.
- **Fill out a paper form** — You can download a paper claim form on the “Request Reimbursement” page (see instructions in the previous paragraph) at MyHumana or get a form by calling Customer Service at **1-800-604-6228**. Be sure to attach your receipt or EOB when you send the form.

## Grace periods and run-out periods

With a little planning, you can take steps to use every cent of your FSA — perhaps by scheduling a much-needed dental checkup or vision screening. But if you have FSA money after the year ends, you may still have the opportunity to use your FSA funds.

**Grace period:** If your employer offers a grace period, there is a period of time following your plan year when you can incur expenses and pay for them with your previous year’s FSA funds. During the grace period, your HumanaAccess card draws funds from the previous year’s funds automatically — but only if you also have a Humana spending account during the current year. If you do not have a current-year spending account and you are in the grace period, your HumanaAccess card won’t work, and you’ll need to submit a manual claim.

**Run-out period:** You can still use previous-year FSA funds during the run-out period — but only for services received during the previous plan year or, if your employer offers a grace period, for services from the previous year through the grace period.

### During the run-out period:

- **You can file a claim only for charges incurred during the previous plan year** during the run-out period. You can use FSA funds only for the previous year’s expenses. The day you buy a product or receive a service is the day you “incurred” the charge. It’s not the date on the bill or the day you paid the charges.

- **You should not use your HumanaAccess card to access last year's funds.** After the new plan year begins, you can't use the card to spend funds from the previous year. If you use the card during the run-out period, the expense would be paid with current-year funds. So, to use remaining funds from last year, just file a claim for reimbursement. See the previous section for information on how to obtain a claim form.

### Healthcare FSA rollover

If your employer chose to offer this option, up to \$500 of your healthcare FSA balance will roll over to the next plan year even if you don't elect a healthcare FSA in the new plan year. Your employer must specify how much of the remaining FSA funds (up to \$500), should roll over into the next plan year. The healthcare FSA rollover cannot be used in conjunction with the FSA grace period, so you can't have both. The FSA rollover must be a flat dollar amount between \$0 and \$500.

Your employer decides the maximum and minimum balance you can roll over.

If your funds continue to roll over but you don't elect an FSA in a future plan year past your card expiration date, you will need to file paper claims until you exhaust your remaining balance.

Examples:

1. You have a 2016 healthcare FSA. Your employer elects the FSA rollover of up to \$500 for the 2017 plan year. You have \$500 to roll over, but you do not elect the FSA benefit for the 2016 plan year. You will only have the \$500 rollover to spend in the 2017 plan year.
2. You have \$250 left in your FSA to roll over into 2016. Your card expiration date is Dec. 31, 2016, so during the 2016 plan year you can use your card to access the \$250. You spend \$100 in 2016, leaving \$150 to roll over to 2017. Once again, you do not elect the healthcare FSA for the 2017 plan year, so the only funds you have to use are rollover dollars. But your card expired on Dec. 31, 2016, so you would need to submit paper claims to exhaust the remaining \$150.

### Verifying your expenses are qualified

Every time you use FSA funds, keep a detailed receipt. It takes only a minute to put your receipt in a folder or envelope, and doing so can save you lots of time down the road.

**Here's why:** The IRS requires that 100 percent of disbursements made from FSAs be "substantiated" or verified. This means Humana is responsible for verifying that all expenses are qualified healthcare

expenses as defined by the IRS. In some cases, Humana will not be able to verify transactions automatically, particularly when Humana doesn't have the medical benefits or receives limited claims information.

If the expenses can't be verified automatically, Humana will request receipts from you so we can verify those expenses. If Humana is unable to verify an expense, you'll receive a letter that lists the expense and instructions on what you need to do. If Humana doesn't get your receipts within a reasonable time, Humana will turn off the HumanaAccess card and try to get the money back from future reimbursement requests.

### **Don't forget the prescription**

If you purchased OTC medications, you will need to provide your prescription along with your receipt to be reimbursed from your FSA.

### **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 you can't find your receipt or EOB**

You can request a duplicate receipt from the provider. If Humana processed the claim, you can download and print an electronic EOB from MyHumana.

If you don't have a receipt or EOB — or if you know the expense wasn't qualified — you'll have to pay back the amount.

### **Here's a general timeline of how and when Humana verifies FSA claims:**

- **Day 1** — Card transaction takes place.
- **Day 31** — If Humana can't verify the expense automatically within 30 days, we send a letter in the mail requesting an itemized receipt or EOB.
- **Day 61** — If we don't receive verification or repayment within 30 days of the first letter, we contact you again.
- **Day 91** — If we still haven't heard from you, we turn off the HumanaAccess card. To reactivate your card, you'll need to send verification or pay back the amount of the FSA transaction.

Even if your HumanaAccess card is turned off, you still have access to your health benefits and your FSA funds — you just can't pay for anything with your HumanaAccess card. You need to use some other form of payment and file a claim for reimbursement until your card is reactivated.

If you don't submit verification of the transaction or repay your spending account, the claim(s) will remain outstanding and in violation of IRS verification requirements. Your employer and plan sponsor may take the following actions:

- Include the amount of the unverified transaction(s) in your W-2 income. This will result in income and employment taxes.
- Have your employer deduct the amount associated with claims not substantiated from your paycheck as a last resort, if your state law permits.

**If you have questions about verifying expenses, call 1-800-604-6228.**

## Keeping track of your account

### Checking your balance online or by phone

To check your FSA balance online, sign in to MyHumana and go to the "Spending Accounts" link in the "Coverage, Claims & Spending" drop-down menu on your home page. The website includes the most up-to-date information about your account.

You also can get up-to-date information about your account balance over the phone through our automated voice-response system. Just call the Spending Account Customer Care number on the back of your HumanaAccess card.

### Two good reasons to keep track of your account balance

First, if you have money remaining toward the end of the plan year, it's likely you can find a qualified item or service you need — like new glasses or a screening exam you've been putting off — so you don't have to forfeit the money. Second, knowing your account balance can help you avoid the inconvenience of a declined HumanaAccess card transaction.

## Online tools

MyHumana offers lots of other helpful services. Sign in to MyHumana to:

- View your account balance
- Review all posted and pending FSA transactions
- Request additional HumanaAccess cards
- Download a Reimbursement Form
- Review frequently asked questions about using the FSA, verifying expenses and getting the most value from your account
- See a list of sample qualified expenses — this list is only a guide and check with your employer for specifics on your FSA
- Review year-to-date spending
- Estimate costs for healthcare services and prescription drugs
- Compare doctors, hospitals and outpatient centers with Humana’s MyChoice Tools<sup>SM</sup> (look about half-way down the home page for the “Related Links” section)
- Use healthcare FSA and dependent care FSA planners

If you haven’t registered for MyHumana yet, just go to [Humana.com](https://www.humana.com), click “Sign in or Register,” and follow the easy instructions.

## Quarterly statements

Even if you don’t use the Internet, it’s easy to keep track of your account. Humana sends a quarterly statement in the mail with information about your account balance and transactions.

### **You can also sign up for Mobile Resources on MyHumana**

for immediate access to important resources. Find drug pricing, provider search and claims, an urgent care locator, spending account balances, Humana member ID card details and other great features, all from your mobile device.

# Making your FSA go further

## Seven money-saving tips

While you can't control some of the causes of rising healthcare costs — like new technology — these simple tips can help you stretch your FSA funds:

- 1. Take advantage of network savings** — Doctors, hospitals and other providers in your plan's network charge lower rates for plan members. Plus, if you go to an out-of-network provider, any amount above what an in-network provider would charge comes out of YOUR pocket.
- 2. Don't believe all the hype about brand-name drugs** — In many cases, you can get the same results for less money by choosing generic drugs. Before your doctor finishes writing up your prescription, ask about generic equivalents, lower-cost brand-name drugs that treat the same condition, and even over-the-counter options. If you take an alternative drug and don't think it works as well, you can always go back to the brand-name drug you used before.
- 3. Take your medication as prescribed** — Not refilling your prescriptions may seem like a good way to save money, but it may cost you much more in the long run. Many prescription drugs, when taken as directed, can keep you from needing expensive medical care or hospitalization. So make sure everyone in your family follows doctor's orders.
- 4. Go to the emergency room only for emergencies** — If you need non-emergency medical care, think about going to an urgent care center or your regular doctor instead of the emergency room (ER). Sometimes, it's a tough call. But for something like a cold or a minor sprain, avoiding the ER will probably save you money for two reasons: The payment is usually lower for a doctor's visit or urgent care, and your insurer prescriptions may make you pay for the full cost of care if you use an emergency room for a non-emergency.
- 5. Look into freestanding surgery and diagnostic centers** — If you need outpatient surgery, you may save money by having it done at an ambulatory surgery center — a freestanding clinic that isn't in a hospital or operated by a hospital. And freestanding diagnostic clinics usually charge less than facilities run by hospitals for tests like MRIs, CT scans, X-rays and bone density scans. But before you go to one of these facilities, do two things: Make sure the facility is part of your plan's network, and check your plan to make sure your benefits cover the service.

- 6. Ask your doctor about home testing and monitoring devices** — Home tests for blood pressure, diabetes and other conditions can help you make sure you're following doctor's orders. Just check with your doctor to make sure home tests are appropriate for you, report your results regularly and call your doctor right away if you see anything unusual.
- 7. Take advantage of programs from your health plan** — If you have diabetes, asthma, heart disease or another chronic condition, you may have access to free chronic condition management programs. These programs can really help you stay healthy and possibly save you money at the same time. Some plans also have programs to prevent illness, like smoking cessation, weight loss and even stress management. Remember, staying healthy is still the best way to save money on healthcare!

## How an FSA works with a PCA

### How the accounts work together

If your employer offers the flexible spending account (FSA) and a personal care account (PCA), having both is a great idea. Using both accounts is a smart way to cover all or most of your healthcare expenses with either your employer's money or your tax-free money. But keep in mind: If you have both accounts — either through the same employer or through a spouse's plan — you can't get reimbursed more than once for the same expense.

It's possible for the two accounts to have different qualified expenses. If your expense isn't eligible for PCA payment, but is qualified for FSA payment, we'll draw from your FSA automatically and vice versa. Otherwise, we'll pull from one account and then the other, as described below.

If you have an FSA and PCA, you'll receive just one HumanaAccess card for both accounts. Your employer determines which account is used first. When you've depleted the balance in the first account, Humana starts paying expenses from the second account automatically. To confirm which account is used first, check your Benefits Plan Document or ask your benefits administrator at your workplace.



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

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