

Health Payment Accounts and services

Enjoy easier consumer-directed
health care administration
with a trusted partner



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When it comes to health care, you expect plans that are simple and easy to use – not just for you, but for your employees. You need account options that give you flexibility and control over your health care dollars. And you want it all from a trusted partner who can guide you every step of the way. That’s the solution you get with Health Payment Accounts administered through Kaiser Permanente.

You can choose from three types of Health Payment Accounts – health reimbursement arrangements (HRAs), health savings accounts (HSAs), and flexible spending accounts (FSAs) – to create an approach that works for your business. And with our enhanced administrative capabilities, you can combine a variety of plans with these accounts to get an integrated solution that lets you spend less time managing your employees’ health care and more time focusing on your business. Plus, with a dedicated team of support specialists, you and your employees can get the help you need to make the most of your plans.

In this guide, you’ll get a general overview of the Health Payment Accounts available to you through Kaiser Permanente. Each has its own unique set of features and benefits, giving you the flexibility to tailor a solution that meets your needs. We’ll also walk you through the administrative services, resources, and tools available with the HRAs, HSAs, and FSAs administered through Kaiser Permanente. Then together, we’ll map out a strategy that can help move your business forward.

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Move your business forward today

As a proven leader in health care innovation, Kaiser Permanente offers a variety of health plan designs and functionality to give your business the support it needs to succeed. And with Health Payment Accounts, you’ll get integrated account capabilities and experienced customer support every step of the way. To learn more about a strategic partnership with Kaiser Permanente – or to get started with a benefits solution today – contact your Kaiser Permanente representative.

The tax references in this resource guide relate to federal income tax only. Consult with your financial or tax advisor for information about state income tax laws.



ACCOUNT TYPES – HRA

Health reimbursement arrangements – support and flexibility

With an HRA, your employees have the option of using funds contributed by you to pay for qualified medical expenses on a tax-free basis. There are several HRA types available, ranging from broad to more limited coverage, with options for point-of-service payment using our Health Payment Card or convenient reimbursement through our claims exchange platform.

- 1 HRA 213(d)** – can be used for any qualified medical expenses, including services not covered under the Kaiser Permanente health plan*
- 2 Health plan only** – can only be used for expenses for services covered under the Kaiser Permanente health plan
- 3 Limited purpose** – can only be used for dental, vision, or prescription expenses, or a combination of these expenses as chosen by the employer
- 4 Deductible expenses only** – can only be used for expenses that apply to the deductible on the Kaiser Permanente health plan

* Refer to IRS Publication 502 for a list of qualified medical and dental expenses.

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ACCOUNT TYPES – HRA

Health reimbursement arrangements – features and benefits

No matter which account option you choose, you and your employees will get a wealth of features and benefits that'll help you get the most out of your HRA.

Features	Description
Contribution levels	<ul style="list-style-type: none"> • A single- or two-tier structure is available to allow separate contribution levels for individual employees and employees with families • Employer contributions are tied to Kaiser Permanente health plan renewal dates
Employer funding schedule options	<ul style="list-style-type: none"> • 100% of funds made available upon employee's plan effective date • Scheduled monthly – funds made available to employees on a monthly basis • Scheduled quarterly – funds made available to employees on a quarterly basis • Earned wellness incentives can be added to available funds
Proration options for employees hired midyear	<ul style="list-style-type: none"> • No proration – employees hired midyear receive full annual allocation • Monthly proration – prorated based on the number of months the employee is enrolled during the plan year (this option not available with scheduled quarterly funding) • Quarterly proration – prorated based on the number of quarters the employee is enrolled during the plan year (this option not available with scheduled monthly funding)
Stacking options	<ul style="list-style-type: none"> • We offer both FSA types (Medical & Dependent Care) with 213(d) and Limited Purpose as well as Dependent Care FSA with the Health Plan Only and Deductible Only HRA.
Rollover options for unused funds	<ul style="list-style-type: none"> • No rollover (unused funds are forfeited at the end of the year) • Employer-determined percentage of funds rolls over to the next plan year • Employer-determined flat dollar amount rolls over to the next plan year
Bridge threshold	<ul style="list-style-type: none"> • Available with Health Plan Only and Deductible Only HRAs • If selected, employees must pay HRA-eligible expenses out of pocket until a specified bridge threshold amount is reached • Once threshold is reached, employees can get reimbursed through their HRA
Fund access	<ul style="list-style-type: none"> • Health Payment Card (debit card) for HRA 213(d) and Limited Purpose HRAs • Automatic reimbursement via integrated claims feed* for Health Plan Only and Deductible Only HRAs
Financial account self-management tools	<ul style="list-style-type: none"> • Employees can access and manage their HRAs through kp.org, the Health Payment Account website, or the Kaiser Permanente Balance Tracker app for iPhone® or Android™ devices



HRA fees

Employer:

Monthly HRA administrative fee – \$3.75 per account per month (single \$3.75 monthly fee also applies to HRA/FSA stacked accounts)

Setup fee – none for standard configuration†

Employee:

Health Payment Card – \$10 fee for replacement debit cards (after the first four, which are issued at no cost)

* Alternative reimbursement option available via the Health Payment Account website.

† Custom or nonstandard configuration would incur a one-time account setup fee to be determined based on assessment of configuration request. There are no other employer setup fees.



ACCOUNT TYPES – HRA

Choose the best HRA type for your business

Features	HRAs			
	213(d)	Limited Purpose	Health Plan Only	Deductible Only
Tiered contribution options	•	•	•	•
Multiple funding schedule options	•	•	•	•
Proration options for employees hired midyear	•	•	•	•
FSA stacking option*	•	•	•	•
Various rollover options	•	•	•	•
Health Payment Card (debit card)	•	•		
Automatic reimbursement via integrated claims feed			•	•
Bridge threshold option			•	•
Single sign-on access to Health Payment Account portal	•	•	•	•
Balance Tracker mobile app	•	•	•	•
Can be paired with a health incentive arrangement	•	•	•	•

* Health Plan Only and Deductible Only HRAs can only be paired with the Dependent Care FSA.



ACCOUNT TYPES – HSA

Health savings accounts – empower your employees

You can offer your eligible employees enrolled in a Kaiser Permanente HSA-qualified health plan the option to set up an HSA administered through Kaiser Permanente. HSAs are employee-owned accounts that can be used to pay for qualified medical expenses, including services not covered under the Kaiser Permanente health plan. The money your employees contribute to their HSA through payroll withholdings isn't considered part of their wages, so they won't be taxed on it. Employees can also make HSA contributions using after-tax funds – which will allow them to take a tax deduction on those contributions. Additionally, they won't pay taxes on HSA funds when they're withdrawn to pay for qualified medical expenses.*



HSA fees

Monthly HSA administrative fee

- \$3.25 per account per month that can be paid by the employer or employee
- waived when average daily balance reaches \$2,000

Setup fee – none for standard configuration†

Employee:

Health Payment Card –

\$10 fee for replacement debit cards (after the first four, which are issued at no cost)

Account fees

- **Annual investment fee:** 0.25% charged quarterly on the current balance amount
- **Printed account statements:** \$1.25 each (if requested). Statements can be downloaded from kp.org/healthpayment at no charge.

Features	Description
Contributions	<ul style="list-style-type: none"> • Can be made by you, your employees, or both • Employees can contribute via payroll withholdings, checks, or e-contributions online
Rollover options for unused funds	<ul style="list-style-type: none"> • All unused funds roll over and remain with your employee even if they terminate employment, change their health plan, or retire
Investment options	<ul style="list-style-type: none"> • 14 mutual fund options available as investment options when average daily HSA balance reaches and is maintained at \$2,000 or more
Financial account self-management tools	<ul style="list-style-type: none"> • Employees can access and manage their HSAs, including their investment account, through kp.org or the Health Payment Account website

* Refer to IRS Publication 502 for a list of qualified medical and dental expenses.

† Custom or nonstandard configuration would incur a one-time account setup fee to be determined based on assessment of configuration request. There are no other employer setup fees.

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ACCOUNT TYPES – FSA

Flexible spending accounts – maximize employee benefits

With an FSA, your employees make pretax contributions to an account they can use to pay for a wide range of qualified medical expenses – including doctor visits, prescription drugs, and lab tests – or dependent care expenses such as child care.*

Medical FSA – can be used for any qualified medical expenses, including services not covered under the Kaiser Permanente health plan; expenses paid with a Health Payment Card

Dependent Care FSA – can be used for any qualified child and dependent care expenses; expenses paid through claims filed for reimbursement

Features	Description
Contributions	<ul style="list-style-type: none"> • Typically funded only by your employee through payroll withholdings • Maximum annual contribution set by the IRS • You can elect to set a lower maximum
Stacking options	<ul style="list-style-type: none"> • We offer the 213(d) and Limited Purpose HRAs with the Medical FSA and all HRA types with the Dependent Care FSA
Grace period	<ul style="list-style-type: none"> • Allows you to offer an additional period after the plan year for your employees to utilize their funds • Unlike the run-out period, your employees can use funds to pay for services received after their plan year • Limited to two months plus the first 15 days of the third month following the end of the plan year
Rollover options for unused funds	<ul style="list-style-type: none"> • You can allow unused medical FSA funds to roll over to the next plan year in place of a grace period • Limited to \$500 maximum
Financial account self-management tools	<ul style="list-style-type: none"> • Employees can access and manage their FSAs through kp.org, the Health Payment Account website, or the Kaiser Permanente Balance Tracker app for iPhone® or Android™ devices



FSA fees

Employer:

Monthly FSA administrative fee – \$3.75 per account per month (single \$3.75 monthly fee also applies to HRA/FSA stacked accounts)

Setup fee – none for standard configuration†

Employee:

Health Payment Card –

\$10 fee for replacement debit cards (after the first four, which are issued at no cost)

* Refer to IRS Publication 502 for a list of qualified medical and dental expenses. Refer to IRS Publication 503 for a list of qualified child and dependent care expenses.

† Custom or nonstandard configuration would incur a one-time account setup fee to be determined based on assessment of configuration request. There are no other employer setup fees.



EMPLOYER EXPERIENCE

Easily manage your Health Payment Accounts

With our enhanced administrative capabilities, you get the ongoing support you need to easily manage your Health Payment Accounts. That includes integrated account and health plan eligibility for a more streamlined experience. And with our secure portal, you'll also have 24/7 online access to plan information, forms, and quick answers to your employees' questions.

Automated funding made simple

Funding for Health Payment Accounts, including monthly administration fees, is done through an Automated Clearing House (ACH) pull. For HRAs and FSAs administered through Kaiser Permanente, accounts are funded daily based on account utilization – funds will be pulled as your employees utilize services and incur claims against their Health Payment Accounts, which means you aren't required to pre-fund their accounts.



Get personalized support from Health Payment Services

Employers and brokers can get live support from our dedicated Health Payment Services team by phone and email Monday through Friday, 5 a.m. to 7 p.m. PST, except holidays.

Wide range of reports to help you make the most of your accounts

You can access a wide range of reports with email notifications to provide insight into how your employees are using their accounts.

Standard reporting includes:

- account balances
- claim reimbursement history
- denial letters with repayment
- enrollment roster
- account statements by participant
- payments made from the account
- HSA account summary and detail

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EMPLOYEE EXPERIENCE

Resources and tools to better engage your employees

Whether they're familiar with Kaiser Permanente or have just enrolled with us for the first time, your employees get the tools and resources they need to understand how to get the most out of their Health Payment Accounts.

Easy online access with our employee portal

Your employees can take advantage of 24-hour single sign-on access to their health plan and payment account at kp.org.^{*} With quick and easy navigation, they can view up-to-the-minute account balances, file claims and upload receipts, request distributions, and view account activity, including claim and payment history – all in one place.

Added convenience with a variety of payment options

Depending on your employees' specific offering, they'll get a convenient payment option that makes access to Health Payment Account funds simple while reducing paperwork. Our claims exchange platform[†] automatically loads processed medical claims for services provided at our facilities into the Expense Tracker tool on the Health Payment Accounts online portal for easy payment. And our Health Payment Card works like a debit card – meaning employees don't have to submit claims or file for reimbursement when making eligible purchases using their card.

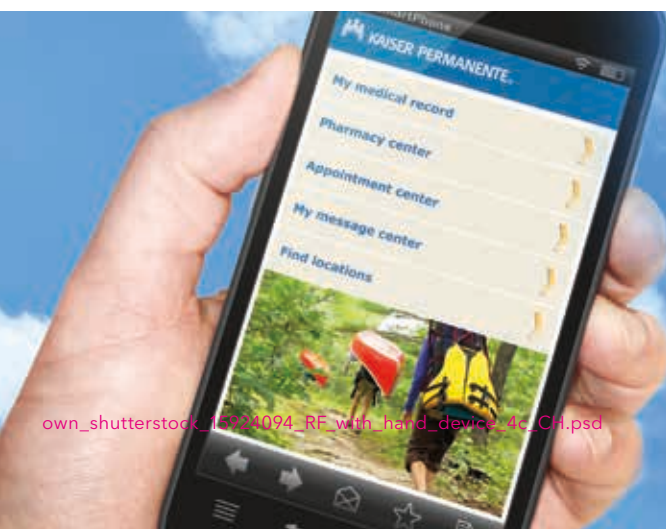
^{*}For HSA and FSA accounts, login and online experience may vary if employees are not enrolled in a Kaiser Permanente health plan with their employer or not registered with kp.org.

[†]Available with HRA accounts only



Support by phone with Health Payment Services

Our highly experienced Health Payment Services team gives your employees the personalized support they need to manage their accounts. They're available by phone and email Monday through Friday, 5 a.m. to 7 p.m. PST, except holidays. Your employees can also access our 24/7 English and Spanish interactive voice response support to check balances on the go.



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Stay connected on the go with the Balance Tracker app

With our free mobile app, your employees can track their Health Payment Account spending whenever and wherever they like using their iPhone® or Android™ devices.

The app can be used to:

- check account balances
- view account activity
- submit claims for HRA and FSA reimbursement with photos of required paperwork



GETTING STARTED

Save time with seamless onboarding

No matter what your group size may be, both you and your employees will benefit from an easy, streamlined onboarding process. Specialists provide support at every step of the experience – helping you with timelines, onboarding documents, employer portal setup, and an optional video demonstration of the employer and employee portals.

More support, less hassle with employer onboarding

STEP 1	STEP 2	STEP 3
A case installation consultant will be assigned to oversee the onboarding of your health plan and Health Payment Account.*	Complete our design guide and other onboarding forms	You'll receive your username and password for the administrative portal. For HSAs and FSAs, you can begin uploading contribution files. If applicable, employees will receive Health Payment Cards by your requested effective date.†

Three easy steps to onboarding your employees

1	All accounts Employees will follow your existing medical plan enrollment process.
	HSA and FSA Employees will also indicate their payroll and contribution amount.
2	All accounts Employees will receive a Health Payment Card, if applicable, and welcome letter in the mail with further instructions.
3	HRA and FSA Employees can log in to the Health Payment Account website to manage their account.
	HSA Employees must log in to the Health Payment Account website and accept the online terms and conditions to activate their HSA.



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* Case installation support is not available for Kaiser Permanente small groups.

† It's recommended that you begin the onboarding process 30 to 60 days prior to the requested effective date of your Health Payment Account. However, this time frame can vary by group size and renewal period. Please speak with your Kaiser Permanente representative.