HSA
HEALTH SPENDING ACCOUNT FLEXIBLE AND CONVENIENT

What is a Health Spending Account?

A Health Spending Account (HSA) is a convenient way to give you more flexibility with your benefits plan. It gives your employer the chance to create a comprehensive benefits plan that meets the unique, varying health care needs of all their employees.

Through an HSA, you have access to a flexible expense account that you can use for health costs not covered under a basic plan or by provincial health plans.

Under an HSA, each employee has access to a pre-determined amount of HSA credits every year to use on any medically necessary health-related expenses. These credits are tax free, and yours to use over and above the standard benefits offered under a traditional plan. Through an HSA, your employer is offering you greater benefits, more options and ultimate flexibility.

What are the advantages of a Health Spending Account?

The advantage is simple: more money to spend on health care that matters most to you.

You can receive reimbursement for any health-related expenses that meet requirements for a tax credit on an income tax return. The HSA can be used to reimburse deductible and co-payments for both medical and dental benefits. You could get 100 per cent reimbursement in those areas depending on how you choose to spend your HSA credits.

You could also use your HSA to cover the cost of procedures not covered by your plan, as long as the procedures are considered a medical expense according to the guidelines of the Canada Revenue Agency's Income Tax Act.

An HSA allows your organization to provide you with the benefits you want and need most. Instead of adding a benefit that appeals only to a small portion of their employees, they can use their budget to fund an HSA that appeals to all their employees.

Who is eligible?

Individuals with eligible medical expenses covered under a group health plan can submit claims for reimbursement through an HSA. This includes medical expenses relating to your spouse and dependents.

What expenses are covered?

Eligible health and dental expenses not covered by the group benefits plan that qualify as a medical tax credit under the Canadian Income Tax Act can be reimbursed directly from your HSA. For instance ...

- transportation and travel expenses related to receiving necessary medical care;
- some medical appliances, drugs, hospital charges;
- expenses due to home or car renovations, for example, installing a buzzer as an aid for hearing impairment, accommodation for hearing guide and hearing dogs;

- costs associated with organ transplant and medical practitioner charges not eligible under a group plan;
- out of country expenses, and if expenses are covered by your provincial plan or travel plan, then any amount above what is covered is eligible;
- acupuncturist, chiropractors and chiropodists;
- laser eye surgery;
- insulin, oxygen, liver extract and vitamin B12, as prescribed by medical practitioners;
- telephone costs associated with consultation with doctors or dentists;
- slings;
- MRI performed in a private clinic;
- treatment for varicose veins.

For more detailed information on what can be covered, review or print Canada Revenue Agency Tax Bulletin IT-519R, specific to the Income Tax Act. It outlines items eligible under Canada Revenue Agency. The website is www.ccra-adrc.gc.ca/E/pub/tp/it519r2-consolid/it519r2-consolid-e.html.

How can balances be checked?

We make it easy for you to track your HSA balance quickly and easily through each HSA cheque issued, via our contact centre or on our website at www.medavie.bluecross.ca. Annually, we issue statements showing the total credits deposited and date of deposit, credits used to date, remaining credit balance as of statement issue date and forfeit date by deposit year. This makes tracking HSA activity simple for you.

ATLANTIC: 1-800-667-4511

ONTARIO: 1-800-355-9133

QUEBEC: 1-888-588-1212

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HSA
HEALTH SPENDING ACCOUNT   FLEXIBLE AND CONVENIENT

You are now in charge of how you spend your own health care money.

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