

## **Frequently Asked Questions about the Health Care Spending Account**

### **What is a Health Care Spending Account?**

A Health Care Spending Account (HCSA) is an account where HCSA credits are deposited on your behalf. Each credit represents one dollar that can be used to reimburse you for charges described below under "What is covered in the Spending Account and what is not covered?"

### **Who manages the Spending Account?**

The Health Care Spending Account is administered and maintained by Canada Life, our group benefits plan insurer.

### **What is covered by the Spending Account and what is not covered?**

- You can be reimbursed from the HCSA for costs that are eligible under the Group Insurance Plan but are not fully covered.
- You can be reimbursed from the HCSA for medical, hospital, drug or dental costs which are recognized as eligible medical expenses under the Income Tax Act.
- You can be reimbursed for costs incurred in the current year from the credits deposited in the HCSA for the current year.
- You can be reimbursed for costs incurred in the current year from the credits remaining in the HCSA from the previous year.
- You cannot be reimbursed for costs incurred in the previous year from the credits deposited in the HCSA in the current year.
- Unlike a traditional benefits plan, Spending Account plans have a broader scope of coverage. For example, a dependant can include dependent parents, grandchild or grandparent Note: to be considered a dependant the person must be dependent on the plan member for financial support)
- Additional services may also be eligible, such as expenses for travel to obtain medical services.
- Any cost that is not recognized as an eligible medical expense under The Income Tax Act is not covered.

### **How many credits are in my HCSA?**

\$\_\_\_\_\_ per calendar year.

For new employees, your initial HCSA credits will be pro-rated based on your date of eligibility.

### **What do I need to send in with my claim form?**

You must attach original receipts or an Explanation of Benefits statement received from your other benefit carrier for your claim to be processed.

### **Where should I submit my expenses first?**

To obtain maximum benefit coverage it is recommended that you first submit your expenses to any other carrier providing you with coverage i.e.: a spouse's plan for coordination of benefits (COB), Worker's Compensation, auto insurance, etc., before claiming under your HCSA. It is to your advantage to be reimbursed by insured plans before depleting your Spending Account dollars.

**Note:** Submission to other carriers first is only a recommendation. It's up to you to decide where your Spending Account fits in. Your claims will be processed through the Spending Account based on your instruction.

## **A sample of how a drug claim might work is as follows:**

You are the employee, your spouse has an 80% drug plan with their employer and you both utilize coordination of benefits (COB). You have a prescription for \$200. You could...

1. submit the claim (and original receipt) to Canada Life choosing **NOT** to use your HCSA to pay it.
2. the claim would be declined as it is within the \$1000 deductible (assuming this is the first claim).
3. submit the claim to your spouses plan to have 80% paid and receive a cheque for \$160 and an explanation of benefits (EOB) explaining \$40 as unpaid co-insurance.
4. submit the EOB (from your spouses plan) with a claim form to Canada Life asking **TO USE** your HCSA to pay it. You would then receive a cheque for \$40 and have your HCSA reduced by the same amount.

## **When should I submit my claims?**

Claims incurred near the end of the plan year (December 31st) should be submitted **immediately** to ensure they are processed before the year end grace period deadline (January 30th). Remember that it may take time to process claims through other benefit plans before submitting to the Spending Account.

## **Is there a special claim form for the Spending Account?**

Yes. You must fill out a HCSA Dental or Extended Health Care claim form for Spending Account submissions. These are available from the Canada Life ([www.canadalife.ca](http://www.canadalife.ca)) or Mainstay Insurance Brokerage Inc. websites ([www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)) or your plan administrator.

## **Do I have to put a claim through my Extended Health Care benefit when I know it will not be covered?**

No, Canada Life will consider original receipts for an HCSA expense directly. However, we suggest that you submit to your insured benefit first if there is any doubt about whether or not the insured benefit will cover a portion of the expense. You will also want to ensure that expenses eligible under the insured Extended Health Care benefit are credited against your deductible.

## **Do I have to claim under my Extended Health Care benefit if I would prefer to put a claim through my Spending Account?**

No. Again however, you will want to ensure that expenses eligible under the insured Extended Health Care benefit are credited against your deductible.

## **If my spouse has a Spending Account too, can I direct any unpaid balance of a claim to be considered under his/her Spending Account?**

Yes. If your Spending Account balance is not large enough to cover your total claim expense, the unpaid portion of the expense can be considered under your spouse's Spending Account.

## **What do I need to send with drug claims?**

For the most part, drugs must be prescribed by a doctor and recorded and dispensed by a pharmacist. There are very few exceptions. You must submit an official receipt from a pharmacist including the Drug identification Number (DIN) etc. Cash register receipts are not acceptable.

## **Which date should I put on the claim form, date of service or date of payment?**

You should always use the date of service (i.e. date expense occurred) when filling out your Spending Account claim form.

**What is the cutoff for claims at the end of the plan year? How long do I have to submit my previous year's claims?**

December 31st is the end of the plan year. You have until January 30th to submit claims incurred during the previous plan year.

**Note:** Claims incurred near the end of the plan year should be submitted immediately to ensure they are processed (by other benefits and the spending account) before the January 30th cutoff.

**What is the balance of my account?**

This information is given on Canada Life's Explanation of Benefit (EOB) statement. An EOB is produced each time a cheque is issued.

**Why was my claim declined?**

Your claim will be declined if it is not an eligible expense according to the Canada Customs & Revenue Agency CCRA (prev. Revenue Canada) guidelines, or if it is received after the deadline date. (i.e. expenses incurred February 1, 2002 – December 31, 2002, but submitted after January 30, 2003).

**Can HCSA credits be carried forward?**

Your unused HCSA credits can be carried forward for one year only. Any credits deposited to the Spending Account that are not used by the end of the FOLLOWING plan year will be forfeited, but you still have the grace period for submitting the claim.

**Can I carry over expenses to the next plan year?**

No, expenses cannot be carried over to the new plan year.

**If I don't use the money in my Spending Account can you send me a cheque at year end?**

No. Unused benefit credits are carried over from the previous plan year to the next. After the year end grace period, any deposits carried over from the previous year will be forfeited.

**If I terminate employment what happens to the dollars in my Spending Account?**

You have 30 days from your date of termination to submit expenses to your Health Care Spending Account for consideration. Service dates must be prior to your termination to be eligible. Any unused credits after that deadline will be forfeited.

**If you have other questions, please consult your Group Benefits booklet or call Canada Life at 1-800-804-7687**

The above information is for general reference only. Changes to interpretations, conventions, legislation or individual company policies may affect these guidelines. Please check with your insurance carrier or plan administrator for further information.