

Employer
Guide

Funding Accounts

BIGGER SAVINGS, BETTER CONTROL



A plan for life.

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Helping you achieve a healthier bottom line

Health insurance isn't just a business expense; it's an important part of your overall business strategy. A comprehensive benefit package is essential to help you attract and retain a productive workforce.

Funding accounts, in conjunction with a health plan, can offer both you and your employees tax advantages and cost savings.

CDPHP makes it easy with funding account options, flexibility, and choice of administrator.

Choose from three funding account options.

- ▶ Health Reimbursement Arrangement (HRA)
- ▶ Flexible Spending Account (FSA)
- ▶ Health Savings Account (HSA)

Can't choose just one? Offer a combination! Plus, you will get the flexibility to decide how you want the funds to be used, so the possibilities are endless.

When you pair a CDPHP health plan with a funding account, you have the reassurance of knowing you're offering your employees a more valuable benefit package from a health plan you can trust.

Select the administrator that's right for you

At CDPHP, we realize the value of providing choice and innovation within our Health Funding Account portfolio. We also recognize that no two employers are alike.

Choose from two trusted third-party administrators (TPAs) for HRA/FSA plan administration:

	CDPHP	HealthEquity
Health Reimbursement Arrangements (HRAs)	✓	✓
General Purpose HRA	✓	✓
Post Deductible HRA	✓	✓
Limited Purpose HRA	✓	✓
Flexible Spending Accounts (FSAs)	✓	✓
General Purpose Health FSA	✓	✓
Limited Purpose Health FSA	✓	✓
Post Deductible Health FSA		✓
Dependent Care FSA	✓	✓
Health Savings Account (HSA)		✓
COBRA		✓

IMPORTANT:

- ▶ If selecting Integrated HRA and FSA, both plans need to be provided through the same administrator.
- ▶ If selecting Integrated HSA through HealthEquity, you have the option to choose HRA/FSA administrator.
- ▶ Integrated Healthy Direction HRA is offered through HealthEquity only.



Funding accounts options

HRA

An HRA can fund the gap between employees' out-of-pocket health care expenses and their insurance coverage. Although an HRA can be paired with any deductible health plan, choosing a higher deductible plan offers a lower premium. You may consider devoting some of that savings to funding an HRA that can defray some of your employees' out-of-pocket expenses that result from the deductible.

FSA

FSAs allow employees to reduce their taxable salary, thereby reducing their income taxes. That means that since employees' salaries are voluntarily decreased, your Social Security payments and other payroll-related expenses may be reduced, as well.

HSA

The HSA is an interest-bearing account that grows tax-free. While there are no time limits on spending, contributions each year are subject to an annual contribution limit. Even if you opt to fund your employees' HSAs, you will realize a net savings, as contributions you make are not subject to payroll tax. There are IRS rules governing employer contributions to employee HSAs, so work with your tax or legal advisor to ensure compliance.

The integrated HSA is offered through HealthEquity, one of the nation's largest and most experienced HSA providers.

The choice is yours

When it comes to choosing the type of funding account to offer, it's all about what's best for your company and your employees.

Key differentiators among the options include:

- ▶ Who makes the contributions?
- ▶ What expenses the funds can be used for
- ▶ Whether the funds can roll over from year to year

	HRA	FSA	HSA
CDPHP Plan Compatibility	EPO, PPO, HDEPO, HDPPPO, HDHMO	Any	HDEPO, HDPPPO, HDHMO (Qualified)
Account Holder	Employer	Employer	Individual (Employee)
Eligibility	Individual must work for an employer that offers one	Individual must work for an employer that offers one.	Individual must be enrolled in an HSA-qualified medical plan.
Funding	Employer only	Employee, through pre-tax salary payroll reduction, the amount of which is determined by employee. Employers can contribute.	Individual and/or employer and certain others.
Eligible Expenses	Qualified medical expenses as determined by employer	Determined by employer: <ul style="list-style-type: none"> • General purpose health FSA—Any eligible health expense • Limited purpose health FSA—Specified health expenses • Dependent care FSA—Dependent care expenses that enable employee to work 	Qualified medical expenses
Debit Card	Included	Available, except for dependent care FSA	Included
Portability	Cannot be rolled over to a new employer	Cannot be rolled over to a new employer. Employees who terminate a health FSA mid-year may access the full account election amount for the year for claims incurred prior to termination.	The accounts are portable by the individual—the employee takes it when leaving employment. *After age 65, the individual may use the funds for non-medical expenses.
Fund Carryover	Optional (determined by employer)	Health FSA: Optional (Employers can choose 2 1/2-month grace period, carryover up to IRS maximum limit, or neither.) Dependent care FSA: Funds not used by the end of the plan year or grace period, if applicable, are forfeited to employer.	Funds carry over year to year.

Administrative services

Learn more about funding account administration from CDPHP and HealthEquity as you decide what's right for your business and your employees.

Administrative Services Comparison

Topic	CDPHP	HealthEquity
Employee pays first HRA	Debit card	Debit card not available (see below for auto pay Rx)
Shared % HRA	Debit card	Debit card not available (see below for auto pay Rx)
Copay First	Debit card offered deductible expenses only	Debit card not available for deductible-only expenses, other plan options are available if debit card is requested
HRA contributions	Annually (up front)	Annually (up front), quarterly, monthly, deposit only
HRA employee responsibility (employee pays first deductible)	Aggregate	Embedded or aggregate
Individual payment cap	Not available	Limit maximum amount HRA pays to any individual family member (not available with debit card)
Autopay	Eligible medical expenses	Eligible medical and Rx expenses. <i>Note: There is a \$2 check fee for eligible claims reimbursed to members without their personal EFT on file. Waived with EFT on file.</i>
Autopay payee	Providers only	Providers, members, or both (copays and pharmacy claims are always autopay member if autopay to provider is selected)
Autopay on/off	Integrated HRA only. Autopay always on.	Integrated and non-integrated, employer can allow members to opt in or out of autopay
Post-deductible FSA <i>Dental and vision expenses allowed, will switch to a full health care FSA once the IRS deductible is met (IRS HSA minimum deductibles vary year over year)</i>	Not available	Available, member reports when IRS deductible has been met
Runout period	90 days	0, 30, 60, 90, other, or plan year runout date
FSA grace period	77 days	0, 2.5 months, other
Reserve account invoicing	Not required	Prefund deposit levels from 3% to 20% based on plan design and account type for HRA/FSA claims. Reserve account funds are tracked by plan year. At the beginning of your new plan year HealthEquity will request funds for a new reserve account. Funds for previous year will be returned to you after runout has been completed. Invoicing options that don't require reserve funds are available for plans not offering a debit card.
Employer claims payments	Auto debit required. A \$1 ACH debit is charged to each new bank account created.	Option for auto debit or manual. If auto debit, deposit made by HealthEquity must be verified or voided check/bank letter must be provided.

Topic	CDPHP	HealthEquity
Employer invoicing	Daily (debit card transactions) and weekly (manual and integrated claims)	Daily, weekly, monthly, pay as you go, fully funded, deposit based funded CDPHP medical claims are sent weekly, pharmacy claims bi-weekly
FSA payroll deductions/contributions	Assumed based on payroll calendar	Manual, assumed, or integrated
Monthly invoicing	Bundled with medical plan invoice	Invoiced by HealthEquity and can be set to auto debit
Employer reporting	Weekly claims detail, monthly summary statements available on the CDPHP broker or employer portal.	Self-serve. Employers/brokers can run reports on the HealthEquity broker or employer portal/ ad-hoc or schedule reports based on their needs.
Nondiscrimination testing	Not available	Included once per plan year (standard) at time of implementation/renewal
File Integration	N/A	Eligibility: Daily Monday-Friday Medical Claims: Weekly on Wednesday Pharmacy Claims: Bi-weekly on Wednesday Healthy Direction Incentives: Weekly on Monday.
Claims processing	Weekly for integrated medical claims and member submitted claims, daily for debit card transactions	Average claim turnaround time is two to three days. This will vary based on how the claim was filed, including a debit card swipe, electronic or hard copy. Integrated claims with autopay are typically processed the same day they are received within HealthEquity's system.
Substantiation process	Notifications to substantiate are sent via mail to members at 45/60 days. Debit card will be deactivated 5-10 business days after 60-day letter if claim is unsubstantiated. Debit card will be reactivated 1-2 business days after documentation has been received to substantiate the expense. The Imputed Income report for unsubstantiated claims is available in the CDPHP employer portal 60 days prior to the end of the plan year and at the end of the plan year.	Notifications to substantiate are sent via email/ mail to members at 30/90 days. After the second notice, the amount of unsubstantiated claims is reported to the employer and tracked on the Overpayment Report available in the HealthEquity employer portal. Debit cards remain active.
Autosubstantiation methods	IIAS, an inventory information approval system to ensure that card transactions are eligible expenses under IRS regulations, copay matching, recurring expense and medical claim adjudication.	IIAS, an inventory information approval system to ensure that card transactions are eligible expenses under IRS regulations, copay matching, repetitive logic, provider data memory and medical claim adjudication.
Customer service	Managed by CDPHP	Managed by HealthEquity

Member experience

Topic	CDPHP	HealthEquity
Customer service	One-stop shop for medical plan and funding accounts Mon. - Fri. 8 a.m. to 5 p.m. Web access	US-based member support 24/7/365 Online chat, web access, interactive voice response (IVR)
Payment options	Get reimbursed, pay by debit card	Get reimbursed, pay by debit card, use online bill pay
Portal functionality	HRA/FSA – CDPHP member portal HSA – Single sign on to HealthEquity from CDPHP member portal	A single platform for all account types
Digital engagement	Member portal	Member portal or mobile app
Debit cards/substantiation	Debit cards will be set to inactive if substantiation is pending	Debit cards will remain active
Explanation of Benefits (EOB)	Medical plan EOB integration with HRA	N/A



Administrative fees

Service	CDPHP	HealthEquity
HRA/FSA setup fee per employer (one-time fee)	Included	\$250 one-time setup fee per plan
HRA/FSA administrative fee per account per month (PAPM)	HRA \$5.25 FSA \$5.25 Stacked HRA/FSA \$5.75	HRA \$3.45 FSA \$3.45 Stacked HRA and FSA \$3.45 LPFSA \$2.45 (If coupled with an HSA)
Non-discrimination testing	Not available	One round standard testing per plan year included Additional non-discrimination testing after the first round (\$600 each)
FSA plan document and SPD	Included	Included once per plan year
FSA and/or HRA plan documents and SPD(s)	Included	Included once per plan year \$250 per plan If the change in plan design requires claims to be reprocessed, there is a \$250 per hour reprocessing fee Amendments to plan docs \$100 per plan
HSA setup fee per employer (one-time fee)	N/A	Included
HSA administrative fee per account per month (PAPM)	N/A	HSA \$2.50
Please refer to administration agreements for additional fee details		

Employer and broker highlights

CDPHP

Our unique claims integration system makes it easier to administer and use an HRA from CDPHP. It saves time and eliminates hassle by substantiating claims and paying the provider directly on behalf of your employees. And best of all – it all happens at CDPHP. That means no extra claims feeds or different service vendors to manage, keeping information secure and providing more efficient coordination of medical benefits and HRA claims.

HealthEquity

The unique relationship between CDPHP and HealthEquity allows for true data integration. Unlike most other health account administrators who claim to have “integration,” our solution with HealthEquity is complete. Our proprietary technology allows claims, eligibility, and other data to be imported directly into an accommodating system.

This results in a smooth experience with less paperwork and more powerful tools.

Save time and eliminate paperwork with an integrated health funding solution.

Implementation checklist

Walk through the steps below once you decide what type of funding account or service you'd like to offer.

CDPHP administration

Offering HRA/FSA or both HRA and FSA

- ✓ Complete the HRA/FSA Administration Agreement
- ✓ Sign and Submit Documentation
- ✓ Employers: Provide a copy to your sales representative
- ✓ Brokers: Upload single PDF the broker portal or provide a signed copy to your sales representative

Note: Completed paperwork should be submitted 45 days prior to the plan's effective date.

HealthEquity administration

Offering HSA, HRA, FSA or combination of plans

- ✓ Complete the CDPHP Ancillary Services Agreement
- ✓ Sign and Submit Documentation
- ✓ Employers: Provide a copy to your sales representative
- ✓ Brokers: Upload single PDF file of the complete document to the broker portal or provide a signed copy to your sales representative
- ✓ CDPHP sales representative will submit New Business notification to HealthEquity
- ✓ Receive Welcome Call/Email from HealthEquity to schedule Onboarding meeting and complete the last steps to implementing your new plans.

Note: Completed paperwork should be submitted 45 days prior to the plan's effective date.

Employer and employee resources

CDPHP

HRA/FSA Administration Agreement

HRA/FSA Account Administrative Fees

HRA FSA Reporting Brochure

HRA Employer Guide

FSA Employer Guide

Health Reimbursement Account (HRA) Employee Brochure

Flexible Spending Account (FSA) Employee Brochure

Start or Renew Your Health Funding Account or Service

Engagement and Education Tools

HealthEquity

Ancillary Services Agreement

Sales Resources

Employer Service Fees

Employer Portal Guide

Employer Portal Reports

Employer invoicing options

Member Education Center

Member Help Center

Reading a paper copy?

Find these resources at cdphp.com/employer-tools

Questions?

Please contact your CDPHP representative, HealthEquity, or your broker if you have questions.

CDPHP

Monday – Friday 8:30 a.m. to 5 p.m.

(518) 641-5100

sbsu@cdphp.com

HealthEquity

Client Services

Monday – Friday 8 a.m. to 8 p.m.

(866) 382-3510

employerservices@healthequity.com

Broker Services

Monday – Friday 8 a.m. to 7 p.m.

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A plan for life.

Contact your broker or call your CDPHP account executive at **(518) 641-5100**.

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