

■ Important Information ■

ABOUT YOUR COVENTRY CONSUMER CHOICESM HEALTH SAVINGS ACCOUNT (HSA)

Due to recent health reform laws, you may now cover your dependent children until age 26. According to Internal Revenue Service (IRS) rules, some dependent expenses may **not** be paid with HSA funds. IRS guidelines state that HSA funds may **only** be used for dependents claimed on tax returns. The rule is that if you claim a dependent on your taxes, their eligible expenses may be paid or reimbursed with HSA funds.

Here are some sample situations to show how the guidelines work. You should make sure to discuss this with your tax advisor because this can be complicated and the rules can be changed by the Department of Health and Human Services (HHS) and the IRS at any time:

Scenario	Can you deduct your dependent's medical expenses from your tax return?	Can you use your HSA for this person's qualified medical expenses?
My child is 25, married, has his own job, and lives out of state—but he does not have access to his own health insurance.	No	No But he can open his own HSA and make the full contribution for an individual.
My child is 25, married, and has his own job—but he does have access to health insurance on his job.	No. Most plans will not let you add a grandchild to your family policy.	No
My child is 26, disabled, and living under my roof. I am providing all his support.	Yes	Yes
My child is 23, is going to school, and is living in our home with her baby. I am supporting my child and her baby.	Yes. This applies to both your child and her baby. When your child turns 24, if she and her baby are still being supported by you in your home, only her baby will continue to be your dependent.	Yes. This applies to both your child and her baby. When your child turns 24, if she and her baby are still being supported by you in your home, you can only use your HSA funds for her baby's qualified medical expenses.

HealthEquity is Coventry's preferred HSA administrator. The default setting for HealthEquity's claims processing requires members to initiate payments for each claim. This will help avoid noncompliance and tax penalties. Unless you select "AutoPay", claims will not process automatically. We encourage you to keep the default setting and review claims individually. In addition, you should use extra caution when using your debit card.

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To manage your HSA reimbursements:

- Go to the website on your Member ID card
- Log in to or register for My Online ServicesSM.
- Under "Benefits," select "Manage My HSA."
- Click "My Coverage" and "My Accounts." From the right side of the page, you can manage individual claims.

HSA compliance and substantiation are the account holder's responsibility. Take extra care to make sure that each claim is eligible for reimbursement. To help you, HealthEquity will be adding enhancements to their online system before January 1. These enhancements include an "AutoPay" notice and reminder messages about eligible dependents.

If you have questions, please call the number shown on your member ID card.