Manulife

**Group Benefits**

# Health Care Spending Account



# Health Care Spending Account

Your Manulife group benefit plan includes a Health Care Spending Account (HCSA). This account provides you with the flexibility to cover unexpected health and/or dental expenses your standard benefit plan may not cover.

This guide provides complete details about your HCSA, including:

- Who's covered
- What's covered
- How your HCSA works
- How Coordination of Benefits and your HCSA work together
- How to submit your HCSA claims
- Answers to frequently asked questions

## Who's covered?

Your HCSA covers any family members who are your dependants at the time the expense was incurred and also considered eligible dependants for a medical expense tax credit claim under the Income Tax Act (ITA). This may include family members who aren't covered by your standard health or dental benefits.

## What's covered?

**The balance after Manulife pays for a health or dental claim**

For example, if:

- Your plan has a $50 deductible, you can use your HCSA to pay the deductible.
- Your plan covers 80% of prescription drug costs, you can use your HCSA to pay the other 20%.

**Health services or supplies**

For example, if:

- Your group benefit plan does not include health and/or dental coverage[1].
- You've opted out of your health or dental plan because you have coverage through your spouse.

...you may be able to use your HCSA to cover those related expenses.

**Other insurable health-related expenses that you can claim as a medical expense tax credit on your tax return**

These expenses may be covered by your HCSA even if they're not included in your health or dental plan coverage[1] and can include things like:

- Some medical equipment (must be prescribed by a doctor)
- Expenses related to sight or hearing guide dogs
- Optical scanners for people with visual impairments

Note: Some health-related expenses (such as earplugs, Medic-Alert® bracelets, toothbrushes/ toothpaste) are not covered by your HCSA.

[1] Please review your HCSA plan design if you do not have Health and/or Dental coverage with Manulife.

## How your HCSA works

Your employer allocates money to your HCSA.

- Expenses eligible under your health or dental plan are covered by your benefit plan first.
- If you have coverage under a second health or dental plan (i.e. your spouse's plan), you must submit your claim to that plan before using your HCSA. See "How COB and your HCSA work together".
- Any remaining or ineligible amount can then be submitted to your HCSA.

When your HCSA covers an expense, your reimbursement will include a claim statement, also called an EOB (Explanation of Benefits). The EOB will show you the amount paid along with the amount of money you have left in your HCSA.

**Credit carryover** – After a year, if there's money left in your HCSA, you may still use it the following year. This is called Credit Carryover, which allows you to keep unused money in your HCSA for one extra year.

**Credit Carryover: Example assumes plan-year is January 1 – December 31**

| Year one | Year two | Year three |
|---|---|---|
| • On January 1, your employer deposits $500 to your HCSA.<br>• By the end of December, you've only used $50.<br>• $450 remains in your HCSA. | • On January 1, your employer deposits another $500 to your HCSA. This brings your HCSA to $950.<br>• In May, you submit a $100 claim to your HCSA for expenses incurred in year two. This claim is paid using available deposits carried over from year one.<br>• By the end of December, you still have $350 in your HCSA from year one and $500 from year two.<br>• The funds from year one are available for year two expenses up until the end of year two. See Grace Period. | • On January 1, your employer deposits $500 to your HCSA. This brings your HCSA to $1,000. The $500 from year two is available for year three expenses.<br>• In August, you spend $350 and use your HCSA to cover this expense. $650 remains in your HCSA until the end of the year. The $500 deposit from year three is carried forward to year four. |

**Grace Period** – Your HCSA also has a grace period that takes effect at the end of your plan year. This gives you extra time to submit HCSA claims after your plan year-end.

Example using a 180 day grace period: if your plan year-end occurs in December and you have a six-month grace period, you have 180 days after December 31 to submit expenses you incurred during the previous year using any remaining deposits from the previous year. Check your benefits booklet to find out the grace period for your HCSA.

## How COB and your HCSA work together

When you have health or dental coverage under two plans (e.g., your Manulife plan and another insurance plan), Coordination of Benefits (COB) makes it possible for you to receive up to 100% claims reimbursement – without even using your HCSA. All you have to do is submit the unpaid portion of the claim to your other plan. For example:

- If Manulife pays for 80% of a claim, your other plan can cover the remaining 20% (and you don't have to use your HCSA).
- When your other plan doesn't cover the full 20%, you can use your HCSA to cover the balance.

**How to use COB** – To use COB (and save your HCSA for other expenses):

- Send your claim to Manulife for reimbursement.
- After you receive your reimbursement and/or Explanation of Benefits (EOB) from Manulife, submit a claim to your other plan to cover any amount that wasn't reimbursed.
- If there's still an outstanding amount after submitting your claim to both plans, resubmit the claim to Manulife for reimbursement using your HCSA.

## How to submit your HCSA claim

To submit a health or dental claim to your HCSA, follow these steps:

**Online**

Submit your claim online through the plan member site at **www.manulife.ca/planmember** or through the **Manulife Mobile app**. Log in using the Plan Contract Number and Plan Member Certificate Number, along with your password.

The reimbursement you receive is based on the funds available in your HCSA and will be explained on the accompanying claim statement from Manulife.

You can always find claim forms for paper submission at **www.manulife.ca/planmember**

If the claim is for a dependant, remember that you're legally stating that the dependant is eligible to use your HCSA.

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## Important details

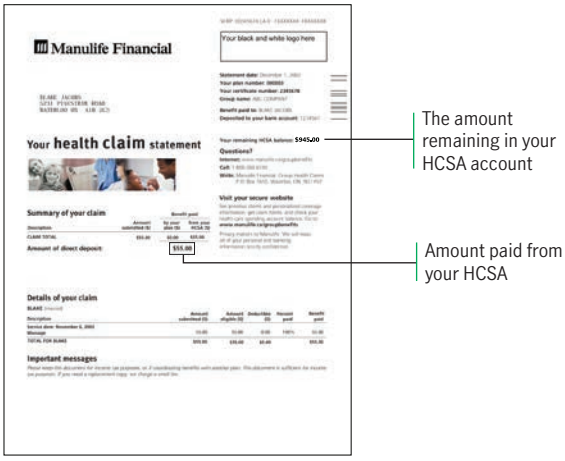
### For health and dental care claims

- Attach the receipt or, if the claim has already been partially paid for by your Manulife and/or any other plan, attach a copy of the EOB with the claim.

### For dental claims

- If your plan allows assignment of benefits and you want the HCSA payment to go directly to your dentist, check the assignment box on the claim form. Do NOT check this box if you've already paid your dentist.

## HCSA explanation of benefits




## Frequently asked questions

**Q: How do I know how much money is left in my HCSA?**

A: When you receive your payment and claim statement from Manulife, it will show the balance in your HCSA. Depending on how your plan is set up, the entire amount may not be available for all expenses – it depends on when you incurred the expense. See "How your HCSA works" in this guide for more details.

**Q: How long do I have to submit a claim?**

A: Always try to submit your claims as soon as possible, during the same plan year in which you paid the expense. Certain rules apply – see "How your HCSA works" in this guide for more details.

**Q: How long does the money stay in my account?**

A: The money in your HCSA stays in your account for one year from the time it is deposited or until you use it – whichever comes first.

**Q: Why should I submit my claims to my other plan(s) first?**

A: Submitting claims to your other plan(s) before using your HCSA makes the best use of your benefit plan(s) and helps you recover the maximum amount of each expense. This also saves your HCSA amounts for other expenses.

**Q: If my health or dental claim isn't 100% covered, will you automatically pay the rest from my HCSA?**

A: No. Manulife can only pay a claim from your HCSA if you authorize it by checking off the appropriate box, signing the claim form and if you do not have COB.

**Q: Can my pharmacist or dentist submit my HCSA claim electronically?**

A: No. Pharmacists and dentists (and any other healthcare providers) have no access to your HCSA.

**Q: Can I assign my HCSA benefit to my dentist?**

A: Yes, as long as your plan allows you to assign your standard dental benefit payment to your dentist. If you assign your HCSA benefits to your dentist, please remember:

- Your dentist will receive your EOB showing your HCSA balance.
- We can't automatically assign any dental benefits paid from your HCSA – we need your permission.

**Q: If I don't use all the money in my HCSA, can I get it back in cash?**

A: No, in order for the HCSA to remain non-taxable, based on ITA rules, any remaining balance cannot be cashed.

**Q: Is my HCSA a taxable benefit?**

A: HCSAs are a non-taxable benefit in all provinces except Quebec (in Quebec, HCSAs are a taxable benefit for provincial income tax purposes).

**Q: If I leave my employer or my coverage terminates, am I still entitled to my HCSA or take it in cash?**

A: No. Your HCSA is part of your current compensation package and cannot be transferred to another employer or taken as cash.

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