



Your guide to Medicare Advantage Medical Savings Accounts (MSAs)

Learn about MSAs, including what they are and how to get started with yours





Introduction to Medicare Advantage Medical Savings Accounts (MSAs)

When you join a Medicare Advantage MSA Plan, you'll be able to set up an MSA

A Medicare Advantage MSA is a tax-exempt trust or custodial savings account that you set up through a health plan provider (insurance company). Your health plan provider will deposit money into your account once a year. The money isn't taxed when you use it for your qualified medical expenses, like prescription eyeglasses, monthly prescriptions, or doctor visits, and it may earn interest or dividends. Money in your MSA cannot be used for qualified medical expenses of any other person, including a spouse.

You must remain in a Medicare Advantage MSA plan for the entire year to use or keep that year's contributions. Unused money rolls over in your MSA year-over-year and is yours until you spend it on your qualified medical expenses.

The two parts of a Medicare Advantage MSA Plan

- 1 A high-deductible health plan**
You must be enrolled in a high-deductible Medicare Advantage Plan.
- 2 MSA**
You must open an MSA through your health plan provider. Your provider will then open your account with Optum Bank, Member FDIC. Your health plan provider will then deposit money into your account.

Getting started with an MSA

Considering an MSA? If you're enrolled in a Medicare MSA Plan, your MSA can play a great part in helping you manage your health care costs. Becoming familiar with how your MSA works is key to getting the most out of it.

About tax benefits



Qualified medical expenses

Use MSA funds to pay for your qualified medical expenses, like doctor visits.



Tax-free money

Your MSA money isn't taxable as long as it's used for your qualified medical expenses.



Tax-free interest

Interest earned on MSA money isn't taxable if it's used for your qualified medical expenses.

MSA eligibility

Most people with Medicare Part A and Part B can join a qualifying Medicare Advantage MSA Plan. However, you CANNOT join if you:

- Are eligible for Medicaid
 - Currently receive hospice care
 - Live outside of the U.S. more than 183 days per year
 - Have TRICARE or Department of Veterans Affairs benefits
 - Have health coverage that would cover the Medicare Advantage MSA Plan deductible, including benefits from an employer or union retiree plan
 - Are a retired employee of the Federal government and are in the Federal Employee Health Benefits Program (FEHBP)
- If you have any questions about Medicare you can learn more at **CMS.gov**.

How an MSA works

STEP
1

Set up your MSA

Select your health plan provider and the provider will open your account with Optum Bank.

STEP
2

Get your money

Your health plan provider will deposit a certain amount of money each year for your health care. Contact your Medicare Advantage MSA Plan to find out how much money will be deposited into your MSA each year.

- At the beginning of the calendar year, Your health plan provider deposits money into your MSA.
- If you become enrolled at a later time in the year, then Your health plan provider will deposit money into your account the first month of your coverage.
- You must remain in a Medicare MSA Plan for the entire year to use or keep that year's contributions.
- You cannot deposit your own money into an MSA.
- Unused money in your account rolls over year-to-year and can be used for your future qualified medical expenses.

STEP
3

Use

Once money is deposited, you can use it to pay for your qualified medical expenses, including costs not covered by Medicare.

STEP
4

Pay your deductible, if...

If you use all of your MSA funds, you'll then pay out-of-pocket until you reach your deductible. After reaching your deductible, your plan then pays Medicare-covered services.



Open your MSA

Check with your provider to learn about the application process.

Using your MSA

Once you have enrolled in a high-deductible Medicare Advantage plan and opened an MSA through your health plan provider, you can manage your account through **optumbank.com**.

Manage your MSA online at **optumbank.com**

- Download account forms.
- See your account balance.
- Check statements.
- View the list of qualified medical expenses.
- Update your email address or change your mailing address.
- Pay bills to physicians, dentists or other health care providers.
- Reimburse yourself for your qualified medical expenses that you paid for out-of-pocket.
- Find information on taxes.
- Explore information on managing your account.

New account holder checklist

- Open your account.
- Record your account number and file it in a safe place.
- Register online at **optumbank.com** for online banking.
- Designate a beneficiary for your account. Sign in to your account and choose "Manage Beneficiaries" from the "I want to" section to do this.
- Activate your Optum Bank MSA debit Mastercard®.
- Review your account fee schedule and privacy notice included in your welcome kit.
- Become familiar with qualified medical expenses.
- Review how to use **optumbank.com** to pay bills online or be reimbursed for qualified expenses paid out-of-pocket.
- Save all receipts for qualified medical expenses. Keep all tax documents you receive from Optum Bank for filing your tax returns, too. You are responsible for saving receipts and keeping track of all expenses paid from your MSA funds, in case you need to prove to the IRS that distributions from the MSA were for your qualified medical expenses. If you use your MSA funds to pay for goods or services that aren't qualified medical expenses, you are responsible for reporting that to the IRS, paying income taxes on the amount and any additional tax penalty.

Your Optum Bank Medicare Advantage Medical Savings Account debit Mastercard®

You can use your debit card for direct payment at a doctor's office, pharmacy or any health care facility that accepts Mastercard. In most cases, the card can also be used to pay a bill from a doctor's office or health care facility, provided they accept Mastercard.

You will receive your card in the mail seven to 10 days after your MSA is opened. Be sure to activate your card so you can start using it for your qualified medical expenses.

With your PIN, you can use your debit card to withdraw funds at any ATM displaying the Mastercard brand name.* So, for example, if you go to the doctor and pay for your services out of your own pocket, you can then withdraw money at the ATM to reimburse yourself.

If you would like an additional debit card, you can sign in to your account at **optumbank.com** and order one online. Remember that your MSA Debit Mastercard acts like any other debit card and could incur charges not made by you. Protect yourself against fraudulent charges by routinely checking your MSA statements on a regular basis and report any unauthorized charges immediately.

If your card is lost or stolen, you can call Optum Bank any time of the day or night. Our phone system is set up to take this information even after business hours. We will reissue you a new card free of charge. It should arrive by mail within 10 business days of reporting a lost or stolen card.

Qualified medical expenses

Expenses that qualify for payment or reimbursement from your MSA, income tax-free, are defined by federal regulation. The following is a short list of some products and services in this category:

- Doctor office visits
- Prescription medications
- Dental care, including extractions and braces
- Chiropractic and acupuncture services
- Hearing aids (and the batteries, too)
- Vision care, including contact lenses, prescription sunglasses, even LASIK surgery

The list of "qualified medical expenses" is defined by the IRS, and it includes a wide range of dental, vision and medical expenses. You should become generally familiar with the list and consult it as needed to determine if an expense can be paid for with your MSA.

For a complete list of qualified medical expenses for your MSA, visit **irs.gov** for IRS publication #502. Please note the IRS may modify the list at any time.



Have questions about ...?	Find answers here
<p>How to contact Optum Bank</p>	<p>Call customer service at 1-855-893-2300. Assistance for most foreign-language speakers is also available. Please note that customer service representatives do not have access to information or data about your Medicare Advantage MSA Plan or claims. For that information, you'll need to contact your health plan provider.</p>
<ul style="list-style-type: none"> • For services covered by your plan • For the grievance and appeals process for your plan 	<p>Contact your Medicare Advantage MSA Plan directly. You can use this space to write down the contact information for your specific plan:</p> <hr/> <hr/> <hr/>
<p>For finding a doctor in your area</p>	<p>Visit your health plan provider's website or medicare.gov/find-a-doctor.</p>
<p>For a complete list of qualified medical expenses for your MSA</p>	<p>Visit irs.gov and search for IRS publication #502. You can also visit optumbank.com and use the qualified medical expense tool for a select list. Money in your MSA cannot be used for the qualified medical expenses of any other person, including a spouse.</p> <p>Note: You'll need the publication for the year you're filing taxes.</p>
<p>For help understanding how a Medicare MSA will affect your finances</p>	<p>Contact a financial advisor licensed in your state.</p>



*Optum Bank will charge a \$2.50 per transaction fee for ATM withdrawals. Fees may also be charged by the ATM owner.

Medicare Advantage Medical Savings Accounts (MSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. The content in this document is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.

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