

Frequently Asked Questions

about Medicare Advantage

Medical Savings Account (MSA) Plans



What is a Medicare Medical Savings Account (MSA) Plan?

MSA Plans combine a high deductible Medicare Advantage Plan and a bank account. The plan deposits money from Medicare into the account. You can use the money in this account to pay for your health care costs, but only Medicare-covered expenses count toward your deductible. The amount deposited is usually less than your deductible amount, so you generally will have to pay out-of-pocket before your coverage begins.

- ◆ You must be enrolled in Medicare Part A and continue to pay your Medicare Part B premium.
- ◆ Medicare MSA Plans don't cover prescription drugs. If you join a Medicare MSA plan, you can also join a Medicare Prescription Drug Plan (Standalone PDP) to get drug coverage.

How does the Medicare Medical Savings Account work?

The first part of a Medicare MSA plan is a special type of savings account. The plan deposits money from Medicare into the savings account at the beginning of each year. Enrollees cannot deposit their own money into the account.

- ◆ The amount deposited is usually less than the deductible amount, so beneficiaries generally will have to pay out-of-pocket before coverage begins.

What can I use my Medicare Medical Savings Account to pay for?

Enrollees can use their account to pay for any qualified medical expense, including non-Medicare covered services.

- ◆ Account withdrawals are not taxed when used for "qualified medical expenses", as outlined in IRS Publication 969. MSA enrollees must file Form 1040 and Form 8853 annually to report account withdrawals. Non-Medicare expenses do not count towards the plan deductible. (See Qualified Expenses Document for Reference)
- ◆ Enrollees would owe both income taxes and a 50% penalty on any savings account withdrawals that are used for un-qualified medical expenses.



What if I do not use all the money in my Medicare Medical Savings Account?

Any amount left over from the current year automatically rolls over and can be used the following year towards the deductible and/or IRS-defined Qualified Medical Expenses. The deposit amount is subject to change each year.

What happens if I disenroll from my MSA plan in the middle of the year? Will I need to pay back any of the money that was deposited in my Medicare Savings Account?

Yes, the remaining part of the current year's deposit will need to be refunded to the Health Plan. The amount recovered and refunded depends on the number of months left in the current calendar year that you were not enrolled.

- ◆ You can only disenroll or make changes during your current MSA enrollment if you meet certain special exceptions, such as if you move out of the plan's service area, qualify for Medicaid, or qualify for Extra Help with Medicare prescription drug costs. If you do leave the MSA plan, no more money will be added to your account and part of the most recent year's deposit will be refunded to Medicare.

What if I don't want to use the bank that the health plan is partnering with to administer the Medicare Medical Savings account? Can I move the money to an account of my choice?

Members can opt to transfer the funds to another IRS-trustee account but will then be responsible for monthly banking fees. The definition of an IRS Qualified Trustee Account is a tax-exempt trust or custodial account that you set up with a U.S. financial institution (such as a bank or an insurance company) in which you can save money exclusively for future medical expenses.

Additional information can be found at:

http://www.irs.gov/publications/p969/ar02.html#en_US_publink1000204110.

Please note: A standard checking account does not meet the definition of an IRS Qualified Trustee Account.

How do I move the money from my ACS/Mellon account to the new trustee account I had set up?

If you decide to change your trustee and do so by withdrawing the money from your ACS/Mellon account, the IRS considers this a distribution and therefore subject to IRS tax guidelines – similar to filing a 1099-SA. MSA accounts are watched by the IRS so it is important to have every deposit and withdrawal documented. We recommend bank to bank transfers to ensure a clean transfer of the money. Bank to Bank transfers do **not** need to be reported to the IRS.

- ◆ In order to initiate a bank to bank transfer, you must provide ACS with a written authorization to initiate the transfer. Please call ACS/Mellon for specific transfer instructions and the appropriate forms at 1-888-769-4788. TTY users should call 800-447-2833.



If I re-enroll in an MSA plan for 2014, will the deposit that the Health Plan makes on my behalf once again be deposited in my ACS/Mellon account?

Yes, your 2014 deposit will once again be placed in the ACS Mellon account that has been set up on your behalf.

How does the High Deductible portion of the plan work?

The second part of a Medicare MSA plan is a high deductible Medicare Advantage Plan. MSA benefit packages must cover all Medicare Part A and Part B services.

- ◆ The health plan will cover 100% of the Medicare costs once an enrollee meets the yearly deductible. Only Medicare Part A and Part B expenses can count towards the plan deductible.
- ◆ Plans cover costs beyond an out-of-pocket spending limit (catastrophic coverage).
- ◆ The deductible amount is subject to change each year.

What medical expenses count towards my MSA deductible?

Only Medicare Part A and Part B services will count towards the deductible. For a list of Medicare A and B services, please consult the Evidence of Coverage that was provided to you at the time of enrollment.

- ◆ The Medicare and You handbook released by the Centers for Medicare and Medicaid (CMS) is also a good resource. You can access the document at www.medicare.gov. Once on the website, click “New To Medicare” on the far left hand side.

Is there a Provider Network for the MSA plan?

No, MSA members can receive care from any Provider who accepts Medicare assignment. To find a Medicare Participating Provider in your area, visit www.medicare.gov on the web. Select “Facilities and Doctors” and then select “Find a Doctor.”

Can a Provider who accepts Medicare assignment refuse to treat me?

Yes, Providers who accept Medicare assignment can refuse to see beneficiaries who have Original Medicare or MSA insurance. The legal statute states that “A provider may have restrictions on the types of services it makes available and/or the types of health conditions it accepts, or may establish other criteria relating to the admission of persons for care and treatment.”



What if I see a Provider who does not accept Medicare assignment?

If a member receives services from a Provider who does not accept Medicare Assignment, Providers are allowed to bill the member (if still in the deductible phase) and the plan for the balance owed above the Medicare Fee schedule rate, up to the limiting charge of 15%.

If I am still in my deductible phase and want to know how much a service is going to cost me, how would I find this information?

Current members requesting the cost of services should call the Member Services toll free number at 1-866-346-6134 (TTY 1-866-346-6135). If provided some necessary information, the Member Services representative should be able to provide an estimate of cost of service.

Am I expected to pay the Provider at the time of service?

No, members with an MSA ID card should not be charged at the time services are rendered.

- ◆ Providers should follow the same billing practices as they do for other Medicare Advantage products
- ◆ Providers will receive a voucher from the health plan regarding payment notification as they do today for other Medicare Advantage plans.
- ◆ In your Member Welcome Kit, there is a MSA Provider Need to Know sheet that contains billing information for your doctor. We advise you to bring this sheet as well as your MSA ID card to every doctor appointment.
- ◆ If a Provider tries to charge you at the time of service, present the MSA Provider Need to Know sheet that was provided in your Member Welcome Kit.

What if I do not have my MSA Provider Need to Know sheet with me when I am at the Providers office?

If you do not have your MSA Provider Need to Know sheet handy or the Provider has additional questions, please have the Provider call the Member Service number on the back of your ID card and the Member Service Representative will be able to provide further assistance.

What if a Provider that accepts Medicare Assignment refuses to treat me because they are unfamiliar with the MSA product?

Because there is no contracted Provider network with the MSA product, there may be instances where a Provider will refuse to treat you. If this happens, please call the number on the back your ID card and a Member Services Representative can assist you.

- ◆ You can also give the number on the back of your ID card to the Provider and the Member Services department can provide them with more information.

MSA Member Services – please call us with any questions

1-800-498-9731 | 8 a.m. to 8 p.m., 7 days a week



Geisinger Gold Medicare Advantage MSA plan is offered by Geisinger Indemnity Insurance Company, a health plan with a Medicare contract. Continued enrollment in Geisinger Gold depends on annual contract renewal.

The benefit information provided is a brief summary, not a complete description of benefits. For more information contact the plan. Limitations, copayments, and restrictions may apply. Benefits may change on January 1 of each year. You must continue to pay your Medicare Part B premium.

MSA Plans combine a high deductible Medicare Advantage Plan and a trust or custodial savings account (as defined and/or approved by the IRS). The plan deposits money from Medicare into the account. You can use this money to pay for your health care costs, but only Medicare-covered expenses count toward your deductible. The amount deposited is usually less than your deductible amount, so you generally have to pay out-of-pocket before your coverage begins.

Medicare MSA Plans don't cover prescription drugs. If you join a Medicare MSA Plan, you can also join any separate Medicare Prescription Drug Plan.

You must file Form 1040, US Individual Income Tax Return, along with Form 8853, "Archer MSA and Long-Term Care Insurance Contracts" with the Internal Revenue Service (IRS) for any distributions made from your Medicare MSA account to ensure you aren't taxed on your MSA account withdrawals. You must file these tax forms for any year in which an MSA account withdrawal is made, even if you have no taxable income or other reason for filing a Form 1040. MSA account withdrawals for qualified medical expenses are tax free, while account withdrawals for non-medical expenses are subject to both income tax and a fifty (50) percent tax penalty. Tax publications are available on the IRS website at <http://www.irs.gov> or from 1-800-TAX-FORM (1-800-829-3676).

There are additional restrictions to join an MSA plan, and enrollment is generally for a full calendar year unless you meet certain exceptions. Those who disenroll during the calendar year will owe a portion of the account deposit back to the plan. Contact the plan at 1-800-452-9678 (TTY 711) for additional information.

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