

# Health Care Spending Account

**Your group benefit plan includes a Health Care Spending Account (HCSA). With an HCSA, you have extra benefits to cover unexpected health or dental expenses – and even pay amounts that your plan doesn't pay, such as deductibles.**

## Who's covered?

You can use your HCSA for any family member considered dependant on you under the Income Tax Act – including some family members who might not be covered by your regular health or dental benefits.

## What's covered?

**Your HCSA covers three types of expenses:**

- 1. The amount left over after Manulife has paid your health or dental claim.** For example, if you have a \$50 deductible, you can pay it from your HCSA. Or if your plan covers 60% of prescription drug costs, then you can use your HCSA to pay the other 40%.
- 2. Any health service or supply that's covered by a benefit plan,** so you can use it to pay for health or dental expenses when you don't have health or dental coverage. For example, even if you've opted out of your dental plan, you can use your HCSA to pay for dental work.
- 3. Any other health-related, insurable expenses that you could claim for the medical tax credit on your tax return.** These expenses don't need to be covered by your health or dental plan to be covered by your HCSA. If you're in doubt, see your plan administrator or call Manulife Financial Customer Service.

Some examples of things that your regular plan may not cover, but your HCSA does:

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

Some common health-related expenses that are not covered by your HCSA:

- Earplugs
- Medic-Alert. bracelets

## How your HCSA works

1. Your plan sponsor allocates money to your HCSA.
2. You use your regular health or dental claim form to make an HCSA claim.
  - If the expense can be paid from your regular health or dental plan, we'll pay it under that benefit first before using your HCSA money.
  - If you have coverage under a second health or dental plan, you should submit the claim there before using your HCSA.
3. Along with your payment, we'll send you a claim statement (called an EOB, or explanation of benefits) that shows how much money you have left in your HCSA.

## Your grace period gives you extra time...

Your grace period and the month your plan year ends are shown in the **Quick Reference** section on the back page of this guide. (Your plan year ends on the last day of the month shown.)

The grace period means extra time to send in your HCSA claims after your plan year-ends. Your grace period starts at the end of your plan year.

For example, if your plan year ends in December, and you have a two-month grace period, then you have 60 days after December 31 to submit the expenses you've had this year — or the end of February.

If there isn't enough money in your HCSA to pay the full amount of your claim when you submit it, we will pay as much as possible using your available funds.

Your HCSA money is available as of the date your plan year begins – usually January 1. After a year from that date, if you have money left in your HCSA, you can still use it next year – this is called Credit Carryover. You can only keep unused HCSA money for one extra year, so if you still haven't used up the first year's money at the end of next year, it will no longer be available.

### Example of how credit carryover works:

- **January 2003:** Your plan sponsor allocates \$250 to your HCSA.
  - By the end of December, you've only used \$50 so you have \$200 left.
- **January 2004:** Your plan sponsor allocates another \$250 to your HCSA. Now you have a total of \$450.
  - When we pay your claim for \$100 in June, it's taken from the 2003 money. By December 2004, you still have \$100 from 2003 and \$250 from 2004.
- **January 2005:** You still have to give up the unused \$100 from 2003, but you still have access to the \$250 from 2004.
  - Your plan sponsor deposits another \$250 into your account, so you have a total of \$500.
  - You have some cosmetic dental work done in May of 2005, and you use \$450.
- **January 2006:** You still have \$50 from 2005, and your plan sponsor deposits another \$250.
  - You have \$300 available this year.

## Coordination of Benefits (COB)

### Getting the most from all of your health and dental coverage

Did you know that if you have health or dental coverage under another plan, then you can get up to 100% of an expense reimbursed – and you might not even have to use your HCSA? Through coordination of benefits (COB), you're allowed to submit the unpaid part of a claim to your other plan for coverage.

In other words, if 80% of your claim is paid by Manulife, you can have the other 20% paid by your other plan. If the other plan doesn't pay the full 20%, then you can use your HCSA to recover the rest.

Follow these instructions to make the most of your benefits. (Check the box called "COB rules" to figure out how to handle claims for your dependants.)

**Step 1:** Send the claim to your Manulife health/dental plan.

**Step 2:** After you receive your cheque and/or explanation of benefits, then submit a claim to the other plan to cover any amount that wasn't paid.

**Step 3:** If there are still some expenses not paid after submitting to both plans, use the regular health or dental claim form and submit it to your Manulife plan again, checking the HCSA box on the claim form.

## How to Submit a Health and Dental Claim Forms

- Fill in your HCSA contract number.** If this information is not completed your claim payment may be delayed. Your HCSA benefit is provided under the same contract number as your Extended Health Care and Dental Care.
- Check the HCSA box.** We cannot release any funds from your HCSA unless you check this box and sign the form.
- Attach any receipts or forms.\***  
**For Dental coverage** - If your plan allows assignment of benefits, AND you want the HCSA payment to go directly to your dentist, check the assignment box. (Don't check this box if you've already paid the dentist.) If you have Manulife dental coverage and/or coverage under another plan, attach a copy

of any explanations of benefits if the claim has already been partially paid by your Manulife plan or by another plan.

**For Health coverage** - send a receipt or if a claim has already been partially paid by your Manulife health benefits and/or any other health plan, attach a copy of the explanation(s) of benefits from those claims.

*Note that how much we can pay depends on how much money you have available in your HCSA.*

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

## Your HCSA Claim Statement

Your Explanation of Benefits will show the amount paid from your HCSA for each claim and the balance remaining in your HCSA after the claim has been settled.

**Manulife Financial**

John Doe  
123 King Street  
Waterloo, ON A1B 2C3

**Your dental claim statement**



Statement date: February 1, 2005  
Plan contract no. 123456  
Member certificate no. 23454665  
Group name: ABC Company

Benefit paid to: John Doe  
Cheque number: 3987654002  
Dentist: Dr. G Green, 07000707

**Questions?**  
Internet: [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits)  
Call: 1-866-507-2727  
Writer Group Health Claims  
380 Weber St N  
Waterloo, Ontario N2J 4V7

**SUMMARY**

Description	Benefit paid		Amount (\$)
	By your plan (\$)	From your HCSA (\$)	
NEW CLAIMS FOR BLAIR	121.67	100.00	21.67
<b>CLAIM TOTAL</b>	<b>121.67</b>	<b>100.00</b>	<b>21.67</b>
<b>AMOUNT OF CHEQUE</b>			<b>\$121.67</b>

New claim statement: We've redesigned your claim statements to make it easier to find information and to understand how your claim was processed.

Privacy matters to Manulife. We will keep all of your personal and banking information strictly confidential.

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**Manulife Financial** 3987654002

through  
Royal Bank of Canada  
Main Branch  
Toronto, Ontario MSJ 2J6

9980598765432  
FEB 2005

THE SUM OF  
\*\*\*\*\* One hundred and twenty-one dollars and 67 cents \*\*\*\*\*

PAY TO  
JOHN DOE

\$\*\*121.67\*

1 234 56 98 7 9 5 3 5 4 6 5 7 8 1

**Manulife Financial** WJRP 0034567A LA 0 FXXXXXXX FXXXXXXX

Plan contract no. 123456  
Member certificate no. 23454665  
Statement date: February 1, 2005  
Plan Member: JOHN DOE

**Details for Blair (child)**

**New claims**

Description	Amount submitted (\$)	Amount eligible (\$)	Copayment (\$)	Benefit paid		See note
				By your plan (\$)	From your HCSA (\$)	
Service date: January 14, 2005						
Procedure: 11101, Polishing	121.67	100.00	0.00	100.00	21.67	1
<b>TOTAL FOR BLAIR</b>	<b>\$121.67</b>	<b>\$100.00</b>	<b>\$0.00</b>	<b>\$100.00</b>	<b>\$21.67</b>	

**NOTES FOR BLAIR**  
1. Claim priced according to assigned fee schedule.

**Your Health Care Spending Account**

Plan Year	Allocation (\$)	Used (\$)	Balance (\$)	Fund Availability
Jan 1 2004	1500.00	400.00	1100.00	Dec 31 2003
Jan 1 2005	1500.00	0.00	1500.00	Dec 31 2006

Note: Available funds from a previous year will be used first.

**Important messages**

Please keep this document for income tax purposes, or if coordinating benefits with another plan. This document is sufficient for income tax purposes. If you need a replacement copy, we charge a small fee.

**Key terms**

Following are some explanations of key terms used in this Claim Statement.  
**Amount eligible** – the portion of the amount submitted that is eligible for whole or partial reimbursement by your plan.  
**Amount submitted** – the amount you were charged for a product or service.  
**Co-payment** – the portion of your claim that is not covered by your plan. Your co-payment may be a flat amount (such as \$5.00 per prescription) or the amount over the allowed dispensing fee or based on a percentage. If there is no co-payment this column will show \$0.00.

**Help prevent claims fraud!**  
 • Be informed about the services received. Ask questions!  
 • Never sign a claim form before a service is performed.  
 • Take care when disclosing benefits coverage to others.  
 Report any concerns or suspicions confidentially by calling Manulife at 1-877-481-8171.

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\* Your plan uses a customized claim form which is available by logging in as a Plan Member through our Plan Member Secure site at [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits).

## Frequently Asked Questions

### 1. How do I know how much money is left in my HCSA?

When you get your claim cheque and explanation of benefits (EOB), the EOB will show the balance in your HCSA. Depending on how your plan is set up, not all of this money may be available for all expenses – it depends on when you incurred the expense. See “How your HCSA works” for more details.

### 2. How long will the money stay in my account?

Your first HCSA deposit will stay in your account until you use it, or until the end of the next plan year, whichever is earlier. See “How your HCSA works” for more information.

### 3. How long do I have to submit my claim?

You should always submit your claim as soon as possible during the same plan year in which you paid the expense. Certain rules apply – see “How your HCSA works” for details.

### 4. Why should I send my claim to my other plan first?

Submitting claims to other coverage first makes the best use of your benefit plan and helps you recover the maximum amount of your cost.

It makes sure that you get as much of the claim paid as possible through your insurance, and reserves the HCSA for other costs.

### 5. If my health or dental claim isn't 100% covered, will you automatically pay the rest from my HCSA?

Manulife can only pay a claim from your HCSA if you authorize it by checking the appropriate box and signing the claim form. If you don't check this box, we can't automatically use your HCSA.

### 6. Can my pharmacist or dentist submit my HCSA claim electronically?

No. Pharmacists and dentists (or any healthcare providers) do not have the authority to access your HCSA.

### 7. Can I assign HCSA benefits to my dentist?

Yes, as long as your plan allows you to assign your regular dental benefit payment to your dentist.

Remember that if you assign HCSA benefits to your dentist, he or she will receive your explanation of benefits showing your HCSA balance.

Finally, if you assign your regular dental benefits to your dentist, we will not *automatically* assign any dental benefits paid from your HCSA. We need your permission.

### 8. If I don't use up all the money in my HCSA, can I get it back in cash?

No. Your HCSA is non-taxable, but if you could receive cash from it then you would have to pay income tax.\*

### 9. If I leave my employer or my coverage terminates, can I take my HCSA with me or take it in cash?

No. Your HCSA is a part of your compensation package and can't be transferred to another employer.

\*In Quebec an HCSA is a taxable benefit for provincial income tax purposes.

## HCSA Quick Reference

**Plan Month End: December 31**

**Grace Period: 60 Days**

**Group Name: Kwantlen College**

**HCSA Contract Number: 788207**

This guide is intended for information purposes only. It is not intended to provide legal or financial advice; please seek the advice of a professional before making any legal or financial decisions based on this information.

Your plan may be slightly different from the examples given. Please see your plan administrator for details on your own plan.

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HCSA Member Guide (Kwantlen College 788207 - BC Colleges)

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With you every step of the way™