

**FREQUENTLY
ASKED
QUESTIONS**

**High Deductible
Health Plans
(HDHPs) and Health
Savings Accounts
(HSAs)**



High Deductible Health Plans

Q. What is a High Deductible Health Plan (HDHP)?

A. Under U.S. Internal Revenue Service (IRS) regulations, a High Deductible Health Plan (HDHP) is defined as a plan that requires significant out-of-pocket spending before the benefit begins.

Q. Why does AbbVie offer HDHP options?

A. These options offer employees a way to save for current and future health care needs. Federal legislation allows employees who are enrolled in qualified HDHPs, and who have no other health coverage, to establish and contribute, on a tax-deductible basis, to a Health Savings Account (HSA). HSA dollars can then be used to pay for qualified health expenses on a tax-free basis.

Q. Which AbbVie medical options qualify as HDHPs?

A. AbbVie offers four national HDHP options – the BlueCross BlueShield High Deductible option, the BlueCross BlueShield (BCBS) HDHP with HSA, the UnitedHealthcare (UHC) HDHP Choice Plus option or the UHC HDHP with HSA. Additionally, two HDHP options are offered through the regional Baylor, Scott & White plans in eligible regions of Texas.

Q. What are examples of expenses that are paid out of pocket before my deductible is met?

A. You will pay for all non-preventive medical services (e.g. specialist visits, therapies, lab tests) and all non-preventive drug costs prior to meeting your deductible.

Q. Do I get 100% coverage for AbbVie drugs in an HDHP?

A. Yes. You have 100% coverage for AbbVie drugs deemed by the FDA to be “preventive” medications before you meet your deductible. For other AbbVie drugs you have 100% coverage after you meet your deductible. For a list of AbbVie drugs covered at 100%, before and/or after your deductible is met, please visit www.caremark.com or call **855-298-2488**.

Q. Do the HDHP options have an expanded list of preventive drugs covered at 100%?

A. Yes. All of the HDHP options offer 100% coverage for preventive drugs, regardless of manufacturer, before you meet your deductible. **After you meet your deductible, coverage for the expanded list of drugs follows the standard Rx plan design, with coinsurance.** You are encouraged to review this list to see if any of the medications you or your family members are taking are included. The CVS Caremark High Deductible Preventive Therapy Drug List is available on the Benefits Enrollment website and on HRConnect. You may also visit www.caremark.com or call **855-298-2488** for more information.

Q. What are some advantages to the HDHP options?

- A.** Here are a few of the advantages:
- You have access to a broad national network of providers.
 - Preventive care, including annual exams, women’s health services, immunizations, and preventive blood and urine testing are covered at 100% (in-network) before you meet your deductible.
 - Preventive drugs found on the CVS Caremark High Deductible – Health Savings Account Preventive Therapy Drug List are covered 100 percent before the deductible (this is a significantly broader list of drugs than you will find covered at 100 percent in the traditional PPO options).
 - AbbVie drugs defined by the IRS as preventive are also covered at 100% before the plan deductible.
 - Generic medications found on the CVS Caremark Value Generics list are available for \$10 before the deductible.
 - Employee contributions for these options are significantly lower than for the traditional PPO options.
 - Together with the HSA, there are significant tax advantages, as any amounts you put in your HSA and any interest that accumulates are tax-free.
 - AbbVie also contributes to your HSA if you elect the UHC HDHP with HSA, BCBS HDHP with HSA or the BSW HDHP with HSA.

Q. How can I decide which is the best choice for me?

- A.** Use the information on the AbbVie Benefits Enrollment website at <https://abbviebenefits.ehr.com> to help you estimate your total out-of-pocket expenses, including your contributions (if any).

Q. How do the deductibles and out-of-pocket limits in the HDHP options differ from those in the PPO options?

- A.** If you elect family coverage under an HDHP option, you must meet the family in-network deductible or family out-of-network deductible before coinsurance benefits begin for any covered family member. Coinsurance (80% in-network and 60% out-of-network) is the same as the other national options. Similarly, you and your covered family members must meet the family out-of-pocket maximum(s) before the plan would begin to cover eligible expenses at 100%. The deductible is included in calculating the maximum out of pocket cost. The deductible and out-of-pocket maximums in the HDHPs include medical, prescription drug and behavioral health expenses. The UHC Choice Plus option, BCBS PPO Plus option and the BSW PPO have separate out-of-pocket limits for medical and prescription drug services.

Q. Can I sign up for a Flexible Spending Account (FSA) if I enroll in an HDHP?

A. If you are enrolled in an HDHP and elect an AbbVie FSA, you will automatically be enrolled in an HSA-compatible (limited use) FSA. The HSA-compatible FSA can only be used for dental and vision expenses until your medical plan deductible is satisfied. You can begin using your health care FSA for your medical, prescription drug and FSA eligible over-the-counter expenses only after you meet your health plan deductible.

Q. How do I access behavioral health services?

A. If you are in the UHC or BCBS HDHP options, you will need to access behavioral health services through Optum Behavioral Health. For more information, call **855-809-2013**. To search for providers, visit www.liveandworkwell.com. The access code is: **abbvie**. If you are in a BSW HDHP option, you will need to contact BSW at myBSWhealth.com or (844)633-5325.

Benefits and services described herein apply only to those employees and family members eligible for coverage under the plan. In case of any conflict or question, the official plan documents or applicable policies, as amended from time to time, will govern. AbbVie reserves the right to change or end its benefit plans or programs at any time.

Health Savings Accounts (HSAs)

Q. What is a Health Savings Account?

A. A Health Savings Account (HSA), which you can set up if you are enrolled in a High Deductible Health Plan (HDHP), allows you to contribute and withdraw funds on a tax-free basis for current and future medical expenses. If you do not spend your contributions in one year, your HSA funds will roll over into the next year.

Q. Who is eligible for the HSA?

A. If you enroll in any of AbbVie's High Deductible Health Plan (HDHP) options, you will be eligible to establish an HSA. However, to make HSA contributions, you must meet the following requirements:

- You cannot be covered by another medical plan, except another HDHP.
- You cannot be enrolled in Medicare (A or B) or TRICARE.
- You cannot be claimed as a dependent on another person's tax return.

These requirements must be met on a month-to-month basis.

Q. Can I contribute to an HSA if I do not enroll in one of the HDHP options?

A. No, you cannot contribute to an HSA with any other AbbVie health plan option.

Q. How much money can I contribute to an HSA?

A. For 2022, HSA participants can contribute up to \$3,650 for individual HSAs and \$7,200 for family HSAs. Individuals age 55 and older in 2022 who are covered by an HDHP can make up to \$1,000 additional catch-up contributions.

Q. Will AbbVie contribute to my HSA?

A. If you elect to enroll in one of the HDHP with HSA options and are eligible to contribute to an HSA, AbbVie will contribute \$500 to your HSA for employee-only coverage or \$1,000 for family coverage.

Q. How will AbbVie contribute to my HSA?

A. If you enroll in one of the HDHP with HSA options, are eligible to contribute to an HSA and authorize the establishment of your HSA account on the benefits website when you enroll, AbbVie will make its contribution to your account.

Q. Will AbbVie contribute to my HSA even if I am not eligible to contribute to an HSA?

A. No, under federal rules, neither you nor AbbVie may contribute to your HSA if you do not meet the eligibility requirements.

Q. Will AbbVie contribute to my HSA if I elect the UHC High Deductible Choice Plus, BCBS High Deductible or the BSW High Deductible?

A. No, there is no AbbVie contribution associated with these options.

Q. I am enrolling in one of the HDHP with HSA options in 2022. When should I see AbbVie's contribution to my account reflected?

A. Your AbbVie contribution will be deposited to your account in mid-January.

Q. Where will my HSA be established?

A. If you enroll in the UHC High Deductible Choice Plus or UHC HDHP with HSA, your account will be established with Optum Bank (affiliated with UHC). If you enroll in the BCBS High Deductible, BCBS HDHP with HSA, BSW High Deductible, or BSW HDHP with HAS, your account will be established with HSA bank. You must authorize the establishment of your account on the Benefits Enrollment website when you enroll.

Q. Are there other options to set up an HSA?

A. You can establish an HSA with ALEC Credit Union or other banks or financial institutions. AbbVie does not endorse any particular financial institutions. However, enrollment in an HSA through either ALEC, Optum Bank or HSA Bank will provide you the opportunity to make contributions to your HSA account through pretax payroll deductions.

You may elect an annual contribution amount to Optum Bank or HSA Bank on the benefits website when you enroll. You must complete a paper enrollment form if you wish to make HSA contributions to ALEC.

Payroll deduction forms for ALEC are available in the Benefits Forms section of the benefits web site and on HRConnect. These forms must be completed and forwarded to ALEC before January 1 each year.

Be sure to compare any fees associated with establishing and maintaining an HSA.

Q. If I re-elect a High Deductible medical option for 2022, do I need to re-enroll in my HSA?

A. Even if you remain in the same medical option, you will need to re-enroll in your HSA by certifying that you are eligible to contribute to an HSA and then authorizing the account establishment. If you currently have an account with Optum Bank or HSA Bank your contributions will be deposited into your current account.

Q. Can I change my HSA election during the year?

A. Yes, you may change your election effective the first day of any month.

Q. Why should I consider contributing to an HSA if I am eligible?

A. An HSA provides you with triple tax benefits. Money deposited is federal income tax-free, savings grow tax-free and withdrawals made for qualified expenses are also income tax-free. It also helps you accumulate funds to use for future medical expenses. Your HSA can be used to pay for your qualified health care expenses before the medical plan deductible is met. Unlike an FSA, your HSA funds may be rolled over from year to year. The money is yours to keep even if you do not enroll in an HDHP in future years, you change employers or you retire.

Q. Can I sign up for a Health Care FSA and a Health Savings Account (HSA)?

A. If you are enrolled in an HDHP and elect an AbbVie FSA, you will automatically be enrolled in an HSA-compatible (limited use) FSA.

Q. What is the HSA-compatible FSA?

A. The HSA-compatible FSA can only be used for dental and vision expenses until your medical plan deductible is satisfied. You can begin using your health care FSA for your medical, prescription drug and FSA eligible over-the-counter expenses after you meet your health plan deductible.

Q. How do I switch my account from the HSA-compatible to standard FSA?

A. To switch from the HSA-compatible FSA to the standard FSA, you must

meet your annual medical plan deductible and notify WageWorks that your deductible has been met. To do this, log into your account at wageworks.com and print the HSA/HDHP deductible form, from the Health Care tab under Manage My Accounts. You will need to complete this form in its entirety. Fax the completed form and documentation of proof of when you met your HDHP annual deductible to 877-353-9236.

Q. What is an eligible medical expense?

A. Generally, funds from your HSA can be used for all medical, dental and vision expenses to the extent that the expenses are not otherwise covered by insurance, including plan deductibles and coinsurance, as well as other Section 213(d) qualified medical expenses, whether or not covered by the medical plan. The eligible medical expense must be incurred after your HSA has been established.

Q. Can I purchase long-term care insurance with money from my HSA?

A. Yes, if you are purchasing tax-qualified long-term care insurance. However, the amount considered a qualified medical expense depends on your age. See IRS Publication 502 for the eligible amounts by age.

Q. Can I use my HSA for insurance premiums?

A. Insurance premiums cannot be paid from HSA funds unless you are unemployed and are collecting federal unemployment benefits or are covered by COBRA insurance. HSA funds can be used to

pay for long-term care insurance premiums. Once you reach 65, you can use your HSA to pay for Medicare Parts B or D and for retiree medical insurance contributions. It cannot be used for Medigap premiums. Once you are enrolled in Medicare you can no longer contribute to an HSA. However, after age 65, you can use the funds tax-free for any purpose.

Q. When can I take a distribution from my HSA?

A. You may take a distribution from an HSA account at any time during the year. However, unlike a Health Care FSA, your account must be funded in order to take a distribution. It is important to note that you cannot take a tax-free distribution from the HSA for any medical expenses incurred before you set up the HSA.

Q. How do I take a distribution from my HSA?

A. Methods may vary, depending on where you set up your HSA. Examples include electronic fund transfer or debit card. HSA trustees are not required to make you submit claim forms, but they must report your HSA withdrawals to the IRS each year.

Q. If I'm contributing to an HSA at ALEC and elect one of the HDHP with HSA options for 2022, will the AbbVie contribution be made to my ALEC HSA?

A. No. The AbbVie contribution to your HSA will be made to Optum Bank if you elect the UHC HDHP with HSA or to HSA Bank (affiliated with BCBS) if you

elect the BCBS HDHP with HSA or the BSW HDHP with HSA.

Q. Can I roll my existing HSA balance with another bank into my new HSA account?

A. You may rollover your HSA balance from one qualified HSA to another qualified HSA once per year. Please contact your financial institution or tax advisor for details on how to complete this rollover without experiencing tax consequences.

Q. Who can contribute to my HSA?

A. There are no restrictions on who can put money into your account. The combined contribution amount is subject to IRS contribution limits.

Q. What happens to the HSA money I have left at the end of the year?

A. Any money remaining in the HSA account at the end of the year stays in your account and may be used for future qualified medical expenses. You keep the money even if you leave AbbVie or do not sign up for a high deductible health plan in future years.

Q. Who is responsible for making sure I spend my HSA funds on qualified expenses?

A. You are responsible for ensuring that HSA withdrawals are spent on qualified medical expenses, according to the IRS guidelines. You are responsible for keeping all records. You must be able to prove the expenses were incurred and were not paid for by another source, or taken as itemized deductions.

Q. What happens if I use the HSA for non-qualified medical expenses?

A. If the expense is not a qualified medical expense, the withdrawal is considered income and will be taxed. In addition, there is a 20% penalty for distributions for nonqualified medical expenses. The IRS can choose to audit your HSA expenses.

Q. Can I roll my AbbVie Flexible Savings Account (FSA) dollars into an HSA?

A. No. You cannot roll over monies from your AbbVie FSA into an HSA.

Q. My spouse has an FSA or HRA through their employer. Can I have an HSA?

A. You are not eligible to contribute to an HSA for any month that your spouse's FSA or HRA can pay for any of your medical expenses before your HDHP deductible is met. If you and your spouse are each enrolled only in your employer's plans, this restriction does not apply.

Q. ~~Does my spouse's coverage affect my eligibility for an HSA?~~ This Health Savings Account FAQ is provided for your general information only and is *not intended* to constitute legal advice. You are encouraged to consult with your legal or tax advisor if you have questions.

A. If you enroll in an AbbVie HDHP option and are also covered under your spouse's plan, you will not be eligible to contribute to an HSA (or receive an employer contribution to your HSA) unless your spouse's plan is also an HDHP. Your spouse's health care FSA may also make you ineligible for an HSA. Consult your financial or tax advisor for guidance.

Q. Can I use the HSA to get reimbursement for my family's claims, even though they are not covered under my HDHP?

A. Yes. You can use the HSA funds to pay for your spouse and dependent's qualified medical expenses that are not reimbursed by other coverage, even if they are not covered under your AbbVie plan.

Q. Can couples establish a "joint" account and both make contributions to the account?

A. Joint HSA accounts are not permitted. Each spouse should consider establishing an account in his or her own name. This allows you to both make catch-up contributions at age 55 (or if turning age 55 by Dec. 31, 2022) or older.