

How to Successfully Align HSA's



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AGENDA

- **Introductions**

- **HSA**
 - **Health Saving Account Overview**
 - **Challenges of Administrating HSA Plans**
 - **HSA Plan – Life Event Driven Program**
 - **HSA Plan – Unrestricted Program**
 - **HSA Plan – Setup as Individual Compensation Distribution**

- **Questions**

HEALTH SAVINGS ACCOUNTS

Options to manage them successfully

Health Savings Accounts Overview



- A HSA is tax-favored savings account used in conjunction with a high-deductible (HDHP) HSA-eligible health insurance plan to make healthcare more affordable and to save for retirement.
 - Pre-tax money is deposited each year into an HSA and can be easily withdrawn at any time with no penalty or taxes to pay for qualified medical expenses.
 - Any HSA funds not used each year remain in the account, and earn interest tax-free to supplement medical expenses at any time in the future.
- A health insurance plan must meet the following criteria to be considered HSA-eligible:
 - The health insurance plan must have an annual deductible of at least \$1,200 for individuals and at least \$2,400 for families.
 - The sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than premiums) does not exceed \$6,050 for individuals and \$12,100 for families.

Challenges of Administering HSA Plans



- Eligibility
 - Control with Eligibility Profile
 - Post Edit Election Rule
- Frequency of Contribution Changes
 - When are changes allowed
- Managing Maximum Contributions
 - Employer and Employee
- Mid Year Enrollments
 - Proration
- Interface to HSA TPA
 - Transferring Contribution Amounts

Options for Managing HSA Plans in Oracle EBS



- Oracle Advanced Benefits – Life Event Driven Program
- Oracle Advanced Benefits – Unrestricted Program
- Oracle Individual Compensation Distribution (ICD)

HSA Plan – Life Event Driven Program



■ Considerations

- Frequency of Contribution Changes is Limited
 - When can Employee change contributions
- Employer Resources
- How does an Employee Make Changes
 - Self Service
 - Managing Scheduled Life Events
 - Professional User Interface (Manual)

■ Conclusions

- Very labor intensive unless changes minimal

HSA Plan – Unrestricted Program



- High deductible medical plan is created and attached to an active benefits program that is life event driven
- HSA Contribution plan is created with 2 options (Single and Family) and is attached to an Unrestricted Program
- Allows contributions to be changed at any time
- Eligibility
 - Eligibility Profile based on enrollment in HDHP
And/or
 - Post Edit election rule check that enrollment in HDHP

HSA Plan – Unrestricted Program



■ Considerations

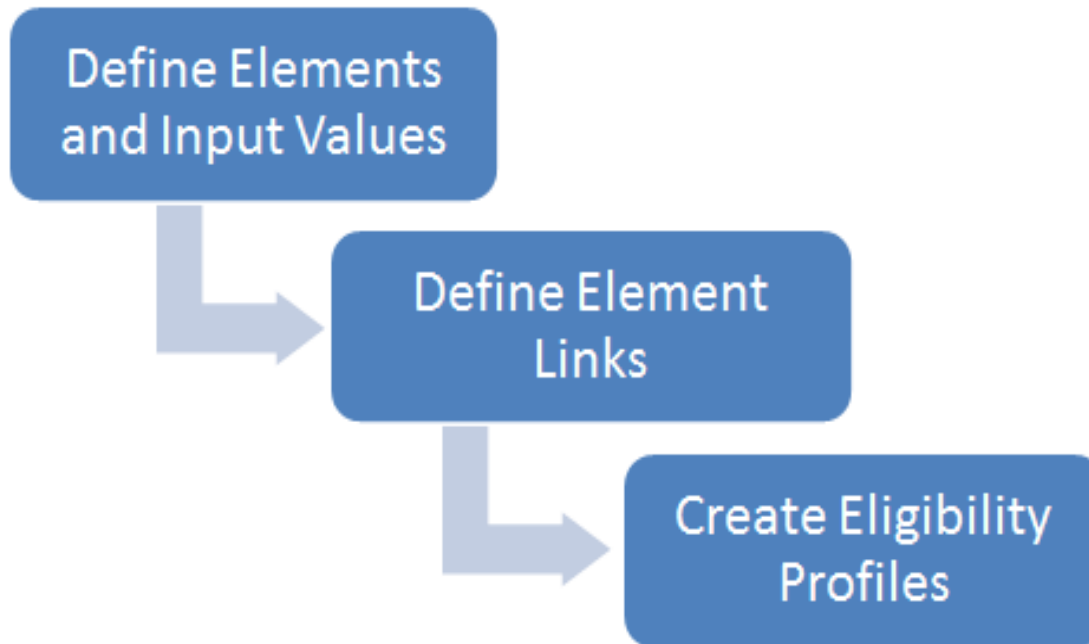
- Frequency of Contribution Changes is unlimited
 - Driven by Unrestricted Life Event
- How does an Employee Make a Change
 - Self Service
 - Professional User Interface (Manual)
- Employer Resources

■ Conclusions

- Less Labor Intensive with Self Service

- Individual Compensation Distribution (ICD) is a feature in Self Service Benefits that allows Voluntary Employee Contributions
 - Evaluates Eligibility and processes enrollment
 - Processes recurring contributions through to payroll via element entries
 - Available to users of both Standard and Advanced Benefits
 - Integrates with Oracle HRMS using benefits functionality

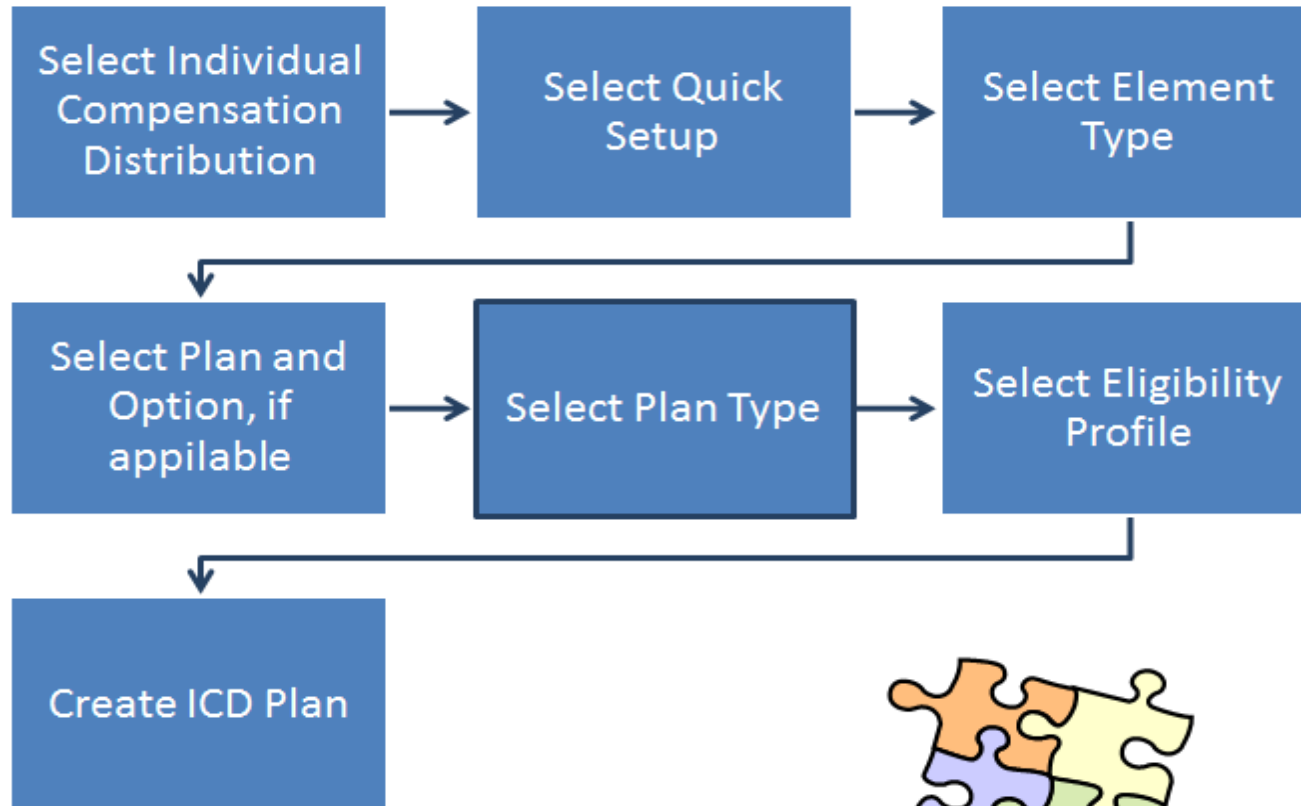
Prerequisite Steps Before Using Quick Setup



HSA Contributions as an ICD Overview



ICD Plan Creation Using Quick Setup



HSA Contributions as an ICD



- Eligibility Profile based on “Related Coverages” – must be enrolled in High Deductible Medical Plan

Participation Eligibility Profiles (01-JAN-1952)

Name: SYT HSA Plan Description:

Assignment Type: Employee Assignme Status: Active Applies To: Benefits Profile

Personal Employment Derived Factors Other **Related Coverages** Display All

Enrolled in Another Plan

| Seq | Plan | Date Adjustment | Exclude | Effective Dates | | [] |
|-----|-------------------------------|----------------------|-------------------------------------|-----------------|--|-----|
| 10 | Choice Plus Health Savings Ac | Day of Determination | <input checked="" type="checkbox"/> | 01-JAN-1952 | | |
| | | | <input type="checkbox"/> | | | |
| | | | <input type="checkbox"/> | | | |
| | | | <input type="checkbox"/> | | | |
| | | | <input type="checkbox"/> | | | |

Effective Dates

Start: 01-JAN-1952 End:

User Defined Criteria []

Extra Information []

HSA Contributions as an ICD



- Use Advanced Benefits/Ben ICD Developer Descriptive flexfield to capture further details for input value purposes

Application: **Advanced Benefits** Title: **Ben ICD Developer DF**

Freeze Flexfield Definition Segment Separator: **Period (.)**

Context Field

Prompt: **Type** Required

Value Set: Displayed

Default Value: Synchronize with Reference Field

Reference Field:

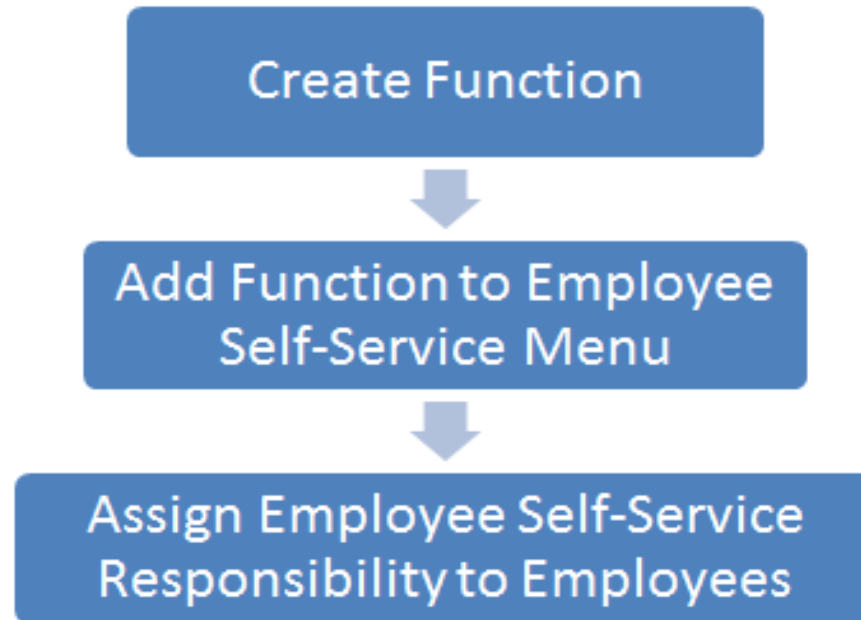
Context Field Values

| Code | Name | Description | Enabled |
|----------------------|----------------------|-----------------------------|-------------------------------------|
| Global Data Elements | Global Data Elements | Global Data Element Context | <input checked="" type="checkbox"/> |
| 422 | HSA Single | HSA Single | <input checked="" type="checkbox"/> |

Segments Summary (Ben ICD Developer DF) - HSA Single

| Number | Name | Window Prompt | Column | Value Set | Enabled | Displayed |
|--------|----------|---------------|--------------|----------------------|-------------------------------------|-------------------------------------|
| 1 | ICD_1562 | Pay Value | INPUT_VALUE1 | ICD_DFF_M | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2 | ICD_1567 | Amount | INPUT_VALUE2 | ICD_DFF_M | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 | ICD_1568 | Period Type | INPUT_VALUE3 | ICD_PROC_PERIOD_TYPE | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 | ICD_1569 | Total Owed | INPUT_VALUE4 | ICD_DFF_M | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6 | ICD_1570 | Towards Owed | INPUT_VALUE5 | ICD_YES_NO | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Setup ICD for Employee Enrollment



- By default the Employee Self Service responsibility does not deliver any predefined menu to enable employees to use Self Service to enroll in an ICD
- A function must be created and then attached to the Employee Self Service responsibility.
- Reference Source for function: Pages 3-128 3-129 of Oracle Human Resources Management Systems Compensation and Benefits Guide

Form Functions

Description Properties Form Web HTML Web Host Region

| Function | User Function Name | Description |
|-----------------|--------------------|-------------|
| PIN_BEN_ICD_HSA | PIN BEN ICD HSA | |

Form Functions

Description Properties Form Web HTML Web Host Region

| Function | Type | Maintenance Mode Support | Context Dependence |
|-----------------|------------------|--------------------------|--------------------|
| PIN_BEN_ICD_HSA | SSWA.jsp func... | None | Responsibility |

Form Functions

Description Properties Form Web HTML Web Host Region

| Function | Form | Application | Parameters |
|-----------------|------|-------------|---------------------------|
| PIN_BEN_ICD_HSA | | | pProcessName=HR_ADV_INDIV |

Form Functions

Description Properties Form Web HTML Web Host Region

| Function | HTML Call | MDS Reference Path |
|-----------------|--|--------------------|
| PIN_BEN_ICD_HSA | OA.jsp?akRegionCode=HR_CREATE_PROCESS_TOP_SS&a | |

Menus

Menu: View Tree...

User Menu Name:

Menu Type:

Description:

| Seq | Prompt | Submenu | Function | Description | Grant |
|-----|-------------------|--------------------------|-----------------------------|--------------------------|-------------------------------------|
| 59 | Total Compensati | | Total Compensation State | | <input checked="" type="checkbox"/> |
| 60 | | Total Compensation State | | | <input checked="" type="checkbox"/> |
| 61 | | | Special Information | ***Obsolete for R12***** | <input type="checkbox"/> |
| 62 | | | Self Service Topic or Provi | | <input checked="" type="checkbox"/> |
| 88 | Special Informati | | Special Information Types | | <input checked="" type="checkbox"/> |
| 97 | Release Informati | | Release Information | | <input checked="" type="checkbox"/> |
| 113 | | Benefits Self Service | | | <input checked="" type="checkbox"/> |
| 154 | Academic Rank | | Academic Rank Overview | | <input checked="" type="checkbox"/> |
| 177 | Training | | Enroll and Cancel Training | | <input checked="" type="checkbox"/> |
| 200 | HSA Savings Acc | | PIN BEN ICD HSA | | <input checked="" type="checkbox"/> |

HSA Contributions as an ICD



ORACLE Diagnostics Preferences Help Personalize Page Close Window

Overview

Cancel View History Save For Later Back Next

Employee Name **OAB, SSBEN** Employee Number **pk1230**
Organization Email Address Department
Manager Job

Award New Compensation

Future and Ongoing Transactions

| Effective | End Date | Type | Option | Value | Units | Occurrences | Status | Update/View | Delete/Discontinue |
|-------------|----------|--------------|------------|-------|-------|-------------|--------|-------------|--------------------|
| 12-SEP-2010 | Ongoing | SYT HSA Plan | HSA Single | | USD | Recurring | New | | |

TIP Transactions with status of Awaiting Approval and Suspended can not be updated or deleted.

Cancel View History Save For Later Back Next

Diagnostics Preferences Help Personalize Page Close Window

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HSA Contributions as an ICD



Details

Pay Value
Amount

Period Type

Total Owed

Towards Owed Yes

Comments

- Considerations:
 - High deductible medical plan still needs to be setup in life event driven program.
 - Setup required in OAB and HR Professional V4.0/ICD
 - Self Service Personalizations will be needed
 - Approvals – are they needed?
- Conclusion:
 - While more upfront setup is required HSA Employee Contributions are more easily managed utilizing ICD functionality in Employee Self Service

Reference Documents



- Oracle Advanced Benefits HSA Sample Setup [ID 1153093.1]
- How are Post Election Edit Rules Used in Oracle Advanced Benefits (OAB) and Oracle Standard Benefits (OSB)? [ID 155039.1]
- How to Setup HSA Plan with the Maximum Value Based on the Medical Coverage [ID 735130.1]
- Oracle HRMS Compensation and Benefits Management Guide: Setup Employee Self Service Access to ICD topic (3-128, 3-129)
- Managing Individual Compensation Distribution Plans with Oracle HRMS [ID 143057.1]
- How to Setup an Individual Compensation Distribution Function for a Plan Type for Accessing from Employee Self-Service Responsibility [ID 453649.1]
- <http://www.hsacenter.com/index.html>
- http://www.irs.gov/publications/p969/ar02.html#en_US_2011_publink1000204045

QUESTIONS??



Thank You



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