

Guidance for documenting the insurance consent decision for families with a Health Savings Account (HSA) or a Health Reimbursement Account (HRA)

The DES/AzEIP Office has reviewed the concerns providers are experiencing when families consent to bill private insurance but have an HSA. After discussions with other state partners, including the Department of Insurance, we wanted to share guidance when presented with an HSA account for reimbursement.

An HRA is an account that is designed to automatically withdraw funds to pay claims not paid by the linked insurance plan, whether the service represented in the claim is not covered or because a deductible has not yet been met.

An HSA is generally not automatic and requires manual action by the account owner (use of a debit card, writing of a check) to pay an amount due to a provider for services. In some cases, HSA information includes an optional form for enrollees that want to elect automatic claim forwarding to their account, to be paid to a provider directly, after a claim is processed by the insurance.

The two types of accounts can appear similar. The biggest differences between them are the ownership and tax considerations and these facets will not be readily apparent to providers when they are discussing with families their consent to bill private insurance. Families should speak with tax professionals to answer questions that may have an impact on their income tax preparation and filing,

The DES/AzEIP Office also asked our national technical assistance group to research how other states are addressing the private insurance/HSA issue. A majority of other states are avoiding the use of any form of personal medical savings accounts and are counseling families to decline use of their private insurance in these situations.

Therefore, the DES/AzEIP Office would recommend that an appropriate option for a family would be to decline the use of private insurance associated with an HRA or HSA. In those instances where the child is ALTCS eligible, please consult with the DES/AzEIP for specific guidance.

If, after discussing consent to use private insurance to pay for early intervention services, the family declines the use of their private insurance due to having either of these accounts, the SC will update the Consent to Bill Insurance form and must enter a note in the comments section stating the family has a HSA or HRA.

Once the consent has been obtained declining consent to bill insurance, the Insurance Page in ITEAMS must be updated. When that is done, invoicing for services will not require a further waiver from the AzEIP Office.