

HMA FAQ

1 | Who is Health Matching Account Services?

Health Matching Account Services, Inc. (HMAS) is based in Houston, Texas and is the exclusive provider of Health Matching Account products consisting of the HMRA® program for employers and the HMA™ Medical Benefits Account for individuals and families. Both the HMA and HMRA programs are medical savings account and reimbursement programs that award increasing, monthly, medical benefits to assist both employers and employees in bringing down their first-dollar, out-of-pocket, medical costs. HMAS is a privately-managed, financial services company and first-dollar, medical cost-containment company that is committed to bringing down the cost of health care in the group and individual markets.

HMAS is expanding its reach and forming partnerships with some of the largest brokers, benefit agencies and administrators all across the country in the ERISA market to promote its revolutionary, Health Matching Reimbursement Account HMRA program for employers and the HMA Medical Benefits Account for individuals and families. The HMAS Board of Directors and founders bring over a century of experience in the life and health services industry. It is comprised of a CLU (Chartered Life Underwriter) and ChFC (Chartered Financial Consultant) and the former Deputy General Counsel for Health and Human Services in Pennsylvania. The founders are former owners of one of the largest independent companies in the southwest United States.

2 | How does HMAS™ award the HMA account crediting and how are the funds protected?

This medical savings account product was designed for implementation by **one of the most renowned life and health services actuarial firms in the world today**. Health Matching Accounts utilize in-depth pooling and claims frequency analysis to determine the rate of growth on contributions that can be awarded monthly into member account balances. The Health Matching Account Services claims exposure is capped at each participant's account balance, and these balances can be used to pay for qualified, 213 (d) and approved, elective medical expenses up to the HMA account balance at the time of the claim. HMA accounts can be used to pay for medical expenses and contain no cash value. HMA Services also maintains millions of dollars of its own reserves to back their programs. In addition, the HMA Medical Benefits Visa® Prepaid Card is **issued and FDIC insured by Bancorp Bank pursuant to a license from Visa® USA Inc.**

3 | What is the legal overview of the HMA?

The HMA Medical Benefits Account is a medical benefit savings account **governed by the requisites of IRS Publication 969 and 502, as they relate to medical care for reimbursement of medical expenses under IRS Code Section 213(d)**. The HMA Medical Benefits Account is considered a **non-qualified, health matching account program**. The reimbursements or payments made to an individual are tax-free given the fact that they

were paid with after-tax dollars. The HMA **balances are permitted to carry over year-to-year** even if the benefits are not used.

4 | Does the HMA program require participants to purchase a high deductible health insurance plan?

No. Unlike a traditional Health Savings Account (HSA), the HMA is **not required to be complemented by a high deductible health plan (HDHP)**. In fact, the benefits that build in an individual and family's HMA account balance can provide the vehicle to help allow individuals and families the ability to ease their way into high deductible health plans in order to lower their fixed, monthly premium costs. This is due to the fact that the HMA Medical Benefits Account will be covering a larger portion of the owner's out-of-pocket, medical expenses. Although the individual or family may choose to have a HDHP, it is not required.

5 | What happens when the HMA account balance reaches its target account balance cap?

Once the HMA individual or family plan account balance reaches its predetermined, account balance cap, **the participant is no longer required to make their full, monthly HMA contributions** and only maintenance fees are required **until a claim is filed that uses the HMA Medical Benefits Account as payment**. The owner will once again make a HMA account balance contribution the subsequent month following any usage of the HMA Medical Benefits Card to pay for medical expenses.

6 | What if HMA owners want to change their contribution amount or paid-up target account balance?

HMA contribution levels are designed to be flexible in order to accommodate anyone seeking to build their own medical savings account and significantly reduce their health care expense obligations by pre-funding their out-of-pocket, health care costs through the HMA Medical Benefits Account. Health Matching Account Services offers **a variety of different levels of HMA™ contribution programs** with corresponding target account balance caps ranging from \$2,500 all the way up to \$60,000 per participant or family. The HMA program provides participants with the ability to adjust both their monthly contribution amounts and target caps in order to be able to scale up or scale down their HMA benefits as they see fit.

If the HMA participant wishes to **decrease or increase their monthly contribution level and its corresponding, target account balance cap, they will be permitted to do so one time per month**.

7 | If the Employer is helping to sponsor an employee's HMA account, is the HMA portable with the employee?

Yes. The HMA would be portable in this situation as well as if the individual employee was sponsoring it on their own.

8 | How do I access my HMA benefits to pay for medical expenses?

Each HMA owner, whether it be a family or individual, will **always be provided with their own personalized HMA Medical Benefits Visa® Prepaid Card**, which can be used and swiped at the point of service to pay for qualifying medical expenses. For any elective procedures such as plastic surgery and Lasik among others, as well as home health and long term care expenses, **these expenses will be covered on a mail-in reimbursement basis when an original, itemized receipt is submitted within 30 days of the procedure.**

9 | What medical expenses can be covered with my HMA Medical Benefits Visa® Prepaid Card?

The HMA Medical Benefits Visa® Prepaid Card covers 213 (d) medical expenses by swiping your card at the point-of-sale. These expenses include **pharmacy and drug store purchases as well as doctor and hospital visits, dental, vision and chiropractic** among others.

In addition, your HMA account can also be used to **pay for elective procedures such as plastic surgery, Lasik and fertility as well as long term care and home health expenses among others.** These medical expenses can be covered on a mail-in reimbursement basis by mailing in proof of the procedure (typically an original, itemized receipt) and the amount of the claim **within 30 days of the procedure date in order to qualify for a reimbursement.**

10 | How do I access the HMA pharmacy savings through the HMA Medical Benefits Account?

The HMA Medical Benefits Visa® Prepaid Card comes included with the proprietary, HMA Services Rx Program, which will deliver significant saving to our customers on prescription drugs, diabetic care services and daily living medical products among other purchases. To access these savings, our HMA cardholders will provide their WellDyne BIN, which is located on the back of their HMA Medical Benefits Visa® Prepaid Card, to the pharmacy at the time of purchase.

In order to coordinate their primary health insurance plan benefits with their HMA pharmacy discounts, our cardholders will have their pharmacy swipe their primary health insurance card first before processing their WellDyne, which is located on the back of the card. By doing this, our customers will be able to choose which pharmacy pricing option is preferable between what their primary health insurance plan offers compared to their HMA Services Rx Program. The HMA Medical Benefits Visa® Prepaid Card can be swiped at any pharmacy except those at grocery stores. Any pharmacy purchases at grocery stores can be covered on a mail-in reimbursement basis by completing the HMA Reimbursement

Claim Form located in the Resources section of your HMA member account portal by mailing in proof of the procedure (typically an original, itemized receipt) and the amount of the claim **within 30 days of the procedure date in order to qualify for a reimbursement.**

The HMA Medical Benefits Visa® Prepaid Card is issued by The Bancorp Bank pursuant to a license from the Visa® U.S.A Inc. The Bancorp Bank; Member FDIC. Card may not be used everywhere Visa® debit cards are accepted. See Cardholder Agreement for list of eligible goods, services and merchants.