Facts to Know
About OASSIS Health Care Spending Accounts

1. How a Flexible OASSIS Health Care Spending Account Works

Employers can designate a defined amount of “credits” into an OASSIS Health Care Spending Account (HCSA) for each eligible plan member. These credits can then be used by the employee to pay for a wide range of health and dental expenses not otherwise covered by their traditional group benefit or provincial health plan.

- Deductibles or co-insurance payments not reimbursed in the employee’s plan
- Expenses in excess of maximum coverage amounts
- Additional expenses which qualify for medical expense tax credits, such as:
  - Payments to licensed medical practitioners (varies by province), hospitals, e.g. - fees for prescriptions/notes/completion of medical forms
  - Transportation and travel expenses
  - OTC drugs when prescribed by a physician and filled by pharmacy
  - Vaccines
  - Artificial limbs, aids and other medical equipment
  - Eyeglasses, contact lenses
  - Dentures, Orthodontics,
  - Rehabilitative therapy
  - Other medical expenses as stated by the Canada Revenue Agency (see the comprehensive list of eligible expenses attached)

note: some items require a prescription

2. Advantages for Employees

Flexibility - Used in combination with a traditional plan, or as a stand-alone plan, the HCSA allows a wide variety of health care needs to be covered. Plan members are given the flexibility to manage and self-direct their benefits in accordance with their needs.

Involvement - Allowing plan members to choose the products and services they want enhances the value of benefit plans to the employee.

Convenience – Green Shield’s integrated all-in-one system allows HCSA claims to be automatically coordinated with traditional claims. Reimbursements are also generated automatically and sent directly to plan members.

Tax Advantages – When HCSA guidelines are followed, benefits paid are not taxable to the employee. As long as the medical expense qualifies as per CRA guidelines, the contributions (credits) allocated by the employer are not taxed. Without an HCSA, eligible expenses not covered by a benefit plan must be paid for by employees with after-tax dollars.

Facts to Know About OASSIS Benefit Plans

3. Advantages for Employers

Better Cost Control - Since an HCSA contains a defined, preset amount of funds, employers know the financial investment up front.

Simplicity – HCSA coverage can be coordinated with traditional plans OR can be a stand-alone benefit plan (with a basic Life insurance and AD&D component).

Ease of Set-Up and Administration - HCSA's can be implemented quickly; OASSIS HCSA plans can be started on the first day of any month with 30 days' notice. All benefits and claims administration is all handled for your organization by OASSIS and the carrier.

Flexibility - Employers can choose different credit amounts for individual employees. This provides an ability to tailor plans to different classifications of employees (part-time, full-time, contract) or to enhance plans for employees length of service milestones.

Cost-effective – When traditional benefit plans may be cost-prohibitive, employers can implement an HCSA option which provides affordable and flexible coverage for employees.

No Up Front Costs - With an HCSA Plan there is no amount to pre-pay or set monthly fees. Employers will only be billed for the monthly HCSA claims actually processed.. There is no pre-payment for allocated credits.

4. How is an OASSIS HCSA plan administered?

- Just like any other OASSIS Benefit plan, your organization will have a dedicated OASSIS Benefits Administrator to personally assist employers and employees.
- A predetermined lump sum of credits (minimum $300/year) is allocated to an employee's OASSIS HCSA account at the beginning of each benefit year.
- The benefit year runs from January 1 to December 31.
- Unused credits will roll over to be available for use for two benefit years but are forfeited by the employee if not used within the two year period. Unused credits from the end of the prior year will be added to new credits, and claims for the new benefit year may be applied to the combined amount.
- Claims can be set-up and automatically coordinated to work with an employee's existing OASSIS packaged plan (e.g. to cover deductibles) or claims can be submitted manually for stand-alone plans.

Facts to Know About OASSIS Benefit Plans

5. What is the Cost of an HCSA Benefit Plan?

- With an HCSA Plan there is no amount to pre-pay for credits and no set monthly fees. OASSIS will provide a monthly, invoice to the employer, as claims are processed.
- The cost of the HCSA is equal to the employer's choice of HCSA credit amount multiplied by the number of employees, plus the OASSIS administration fee (3.95%) along with any applicable provincial premium tax and/or retail sales tax (varies by Province).

FOR EXAMPLE: In Ontario where the employee has a $700 HCSA Benefit – the calculation works like this:

• HCSA Amount	$700.00
• Administration 3.95%	$ 27.65
• **Ontario*** Premium Tax 2% (on HCSA amount & and admin charges)	$ 14.55
• RST 8% (taxed on amount + admin charges)	$ 59.38
• Cost to Employer if total amount is claimed per employee	**$801.58**

***Newfoundland** Premium Tax is 5% ($36.38 in this example / $825.15 Total)

***Quebec** Premium Tax is 3.48% ($25.32 in this example / $813.21 Total)

*No Premium Tax is Payable in Other Provinces

April 2023