OFFICE OF THE COMPTROLLER
ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
(617) 727-5000
MACOMPTROLLER.ORG

Health Care Spending Account Policy

Effective: July 1, 2004
Last Updated: November 1, 2006

Executive Summary

Health Care Spending Account (HCSA)

The Health Care Spending Account Program (HCSA) is a voluntary program that allows employees to set aside a portion of their pre-tax income to pay for qualified health care expenses. The HCSA program is offered through the Group Insurance Commission and administered by a third-party administrator. The Group Insurance Commission determines the pre-tax contribution limits.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Employees are eligible for this program if they:

- Are employed by the Commonwealth of Massachusetts
- Are eligible for Group Insurance Commission Health Benefits
- Are active state employees who work at least 18.75 hours in a 37.5 hour work week or 20 hours in a 40 hour work week
- Have health related expenses not covered by a health plan

Upon receipt of documentation of health care expenses from the employee to the third party administrator, a reimbursement will be direct deposited from the employee's HCSA account.

HCSA Fee

An administrative pre-tax fee is charged to employees participating in the HCSA program. This is a monthly pre-tax fee that is deducted proportionally over each pay period.

HCSA Program

- Administered by the Group Insurance Commission (GIC) and a third party administrator;
- Offered to all Commonwealth employees who are eligible for GIC benefits;
- Available through an employee's human resource office;
- Requires a HCSA Enrollment/Change Form;
- Deducted in every bi-weekly pay period; and
- Available on a voluntary pre-tax basis.

Information Sources

Forms

- HCSA Forms can be found on the Group Insurance Commission website.

Legal Authority

- 26 USC §125 Flexible Spending Accounts
- M.G.L. c. 7A §§ 3, 7, 8
- M.G.L. c. 32A
- Attachments - None

Contacts

- CTR Solution Desk