

Flexible Health Allowance (FHA) Frequently Asked Questions (FAQ)

1. What is Flexible Health Allowance (FHA)?

FHA is a portion of the County's contribution to employee health insurances that allows employees to have health plan purchase options.

Please refer to the FHA Slide Show for additional information about the FHA Program.

2. Why is the County doing this?

The County contracts with CalPERS to provide employees with medical plan options.

The County makes equal Medical contributions to both active employees and retirees, as reflected on your rate sheet.

3. How is FHA calculated?

While FHA is calculated in accordance with your employee group's bargaining agreement, the following example illustrates the components necessary for calculating FHA:

- a. Employee Only lowest HMO premium cost for the plan year.*
- b. Maximum County Medical Contribution (PEMHCA) amount for the plan year.
(Equal to Retiree Only Medical Contribution)*
- c. Employee Only lowest HMO premium cost for the plan year minus County Medical (PEMHCA) for the plan year equals **Flexible Health Allowance***

4. What can I do with FHA?

There are three FHA program options:

- a. County Medical*
- b. VSP Dependent Vision*
- c. DPO + (Enhanced Dental)*

FHA will automatically be applied to your medical premium cost unless you also choose to purchase VSP Dependent Vision / DPO + Dental.

5. What is the difference between FHA and HC-FSA?

Flexible Health Allowance (FHA) is a portion of the County's contribution to employee health insurance that allows employees to have health plan purchase options. FHA can be used towards the following health insurance premiums: County Medical, VSP Dependent Vision and DPO + Dental.

Health Care Flexible Spending Account (HC-FSA) is an employee-funded account for the reimbursement of qualifying health expenses not covered by insurance. The employee's contribution to HC-FSA is a pre-tax benefit.

6. How do I figure out the cost of my FHA benefit options?

Cost is dependent upon your medical plan choice and enrollment level.

Refer to your rate sheet or contact the Benefits office for cost information regarding FHA benefit options.

7. What is the benefit to me?

Some of the medical plan premiums cost more than both County contributions – Medical and FHA – there are medical plans that cost less. However, you may want to review your FHA benefit package options regardless of medical plan premiums costs.

8. Do I have to participate in FHA?

FHA was approved for all employee groups, County contributions to employee health insurance will be split into two separate allocations – Medical and FHA. If no employee selection is made, your FHA contribution will be applied to medical premium costs only.

9. Can I apply FHA to the CalPERS Administrative Fee?

No – CalPERS Administrative Fee is not a health premium. It will continue to be charged to employees via payroll deduction.

10. When can I change my FHA benefit options?

You may only change your FHA benefit options during Open Enrollment, which typically begins in September of each year for changes effective January 1.

If you have questions send an email to the Employee Benefits Office

benefits.questions@santacruzcounty.us

Or call the Benefits Hotline (831) 454-2241