

Policy Clarifications Medical Assistance – All PMA-17019340

Submitted: 02/2014

Agency: CAOs

Citations:

Subject: Use of Health Savings Account as a Resource

Question:

Is a Health Savings Account (HSA) a countable resource?

Response By: Division of Health Services

Date:02/18/14

A Health Savings Account (HSA) may or may not be considered a countable resource. When access to HSA funds is restricted to qualified medical expenses and nothing else, the funds are excluded as a countable resource. The individual must provide verification to the CAO that the funds are restricted.

If the HSA does not meet this requirement, then it is considered a countable resource. When counted, the value of the HSA is the balance in the account available for withdrawal. If the individual would be penalized for early withdrawal then the countable value is the HSA balance after deducting early withdrawal penalty.

Distributions from an HSA are not considered countable income.