Your Health Plan with Health Savings Account (HSA)

It's important for you to understand how your benefits work—we get that. First, let's take a look at the basics of how a high-deductible plan works, starting with some key terms.

- **Deductible.** This is the annual set amount you need to reach each calendar year before you start paying *copays* or *coinsurance* for services covered by your plan. You'll pay full charges for some services until you meet this amount. After your deductible is met, you'll pay your portion of the *coinsurance* amount until your *out-of-pocket maximum* has been met.
- **Copayments (copays).** These are the amounts of money that you pay each time you visit a healthcare provider or fill a prescription.
- **Coinsurance.** After you pay your annual *deductible* and any up-front *copays*, the plan begins to pay a percentage of your provider's charges, for example 80 percent. The remaining percentage, in this example 20 percent, is your responsibility. You'll pay the 20 percent until you reach your *out-of-pocket maximum*.
- **Out-of-pocket maximum.** This is the maximum amount you'll pay in a plan year for services covered by your plan. Most *copays*, *coinsurance* and *deductible* payments apply toward your *out-of-pocket maximum*.

Your HSA allows you to pay for these qualified out-of-pocket medical expenses on a pre-tax basis.

Here's how it works:

A Health Savings Account (HSA) is an account that you contribute pre-tax dollars to in order to help you pay for your out-of-pocket medical expenses, such as your deductible or coinsurance.

After your provider has submitted your claim to Meritain Health, they'll bill you directly for any money you may owe. You can then pay the provider using your HSA.

Qualified expenses. You can use the money in your HSA to pay for any qualified health expenses for you, your spouse and your dependent children. This includes most medical expenses, dental and vision care, and over-the-counter drugs such as aspirin.

You can find out more about eligible expenses by visiting www.irs.gov.

How does an HSA help me?

- **Tax savings.** Contributions are taken out of your paycheck before taxes are calculated; which means you pay fewer taxes on what you earn.
- **Portability.** The money in your account is yours to keep, so you can take it with you if you change employers, change health plans or retire. HSA withdrawals can be taken at any time, even if you're no longer eligible to make contributions (for example, if you've changed health plans). Your HSA funds will continue to rollover from one year to the next (there is no *use it or lose it* rule).
- **Long-term savings.** You can let the funds in your account grow on a tax-deferred basis. After age 65, you can make withdrawals from your HSA for any reason, without penalty.
- **Save on your premiums.** You'll still pay an insurance premium, but it's typically reduced by 20–40 percent. You can use those savings to help fund your HSA.
- **You have the control.** You decide when to use your savings to pay for healthcare expenses.

If you have any questions, simply call Meritain Health Customer Service at 1.800.925.2272.