

The HSA Plans

With a Health Savings Account (HSA) Medical Plan, you pay less in premiums in exchange for a higher deductible/ out-of-pocket maximum. If you have minor care needs and want to pay less for medical benefits each paycheck, an HSA plan might save you money.



However, when you do need medical care, you may pay more for services because your deductible and out-of-pocket maximum are higher. It's possible that those with high medical expenses could also save money on an HSA plan if they meet the annual out-of-pocket maximum, because you'd save money in premium costs and receive a higher contribution to your HSA from CentraCare.

HOW IT WORKS

When enrolled in either our Low-Deductible or High-Deductible HSA Medical Plans, a Health Savings Account (HSA) will be opened in your name. Money in your HSA can be used for qualified health expenses for you, your spouse and any dependents you claim on your federal income tax return (even if they are not covered on your medical plan).

- You must pay for medical expenses until your deductible is met. Available HSA money can be used.
- Once your deductible is met, you are responsible for 20%, 30% or 40% (depending on which tier your provider is in) of medical expenses until the maximum out-of-pocket is met. Available HSA money can be used.

NOTE: If you enroll in an HSA plan, you cannot have a traditional Medical Flexible Spending Account (FSA) and neither can your spouse. You can, however, enroll in the Limited Medical FSA. For more information on [FSA options click here](#).

LOW-DEDUCTIBLE VS. HIGH-DEDUCTIBLE HSA PLANS

What's the difference between the Low and High HSA Plans?

- The Low-Deductible HSA Plan offers lower deductibles but has a higher premium – meaning more money is taken out of your paycheck each month. The Low HSA plan also includes some \$0 maintenance medications for things like high cholesterol, high blood pressure, etc. Other prescription medications are subject to your deductible, meaning you pay the full cost of that medicine until you reach your deductible.
- The High-Deductible HSA Plan has a higher deductible, but costs less in premiums – meaning more money in your pocket each paycheck. Prescription medications are paid at the full cost until your deductible is met.

QUICK DEFINITIONS

HSA

HEALTH SAVINGS ACCOUNT

A savings account that lets you set aside money on a pretax basis to pay for qualified medical expenses. CentraCare also makes bi-weekly contributions into your HSA. By using untaxed dollars to pay for deductibles, copayments, coinsurance, and some other expenses, you may be able to lower your overall health care costs. HSA funds may not be used to pay premiums.

FSA

LIMITED FLEXIBLE SPENDING ACCOUNT

A spending account, funded by you, that lets you pay for many out-of-pocket dental and vision expenses with tax-free dollars. When enrolled in an HSA, your FSA becomes limited in that you can only use it for eligible dental and vision expenses. Medical expenses must be paid out of your HSA. You decide how much to put in an FSA, up to a limit set by CentraCare. You aren't taxed on this money. Estimate conservatively, though. Only up to \$610 of unused funds roll over to the next year. Amounts over \$610 are forfeited.

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DEDUCTIBLE

The amount you owe for covered health care services before your health insurance or plan begins to pay.

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MAXIMUM OUT-OF-POCKET

Your expenses for medical care that aren't reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services. Costs for services not covered by the plan fall outside of your maximum out-of-pocket exposure.

HSA Contributions

Since employees who choose the Low or High HSA Plans have a higher deductible compared to the HRA Plan, CentraCare provides a larger financial contribution to assist with qualified medical expenses. HSA dollars also remain with you – even if you later change to the HRA plan, drop medical insurance coverage or after leaving employment with CentraCare. Employees can also contribute pre-tax dollars to their HSA account up to the maximums shown in this table, in addition to CentraCare's contribution.

	Low-Deductible HSA Plan		High-Deductible HSA Plan	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
CentraCare's Annual Contribution	\$850	\$1,700	\$1,000	\$2,000
Employee's Maximum Annual Contribution	\$3,000	\$6,050	\$2,850	\$5,750
Employees Age 55 and Over	May contribute an additional \$1,000 per year			

THE MONEY IN YOUR HSA:

- Is contributed tax-free
- Pays for eligible health expenses tax-free
- Earns interest tax-free

For a list of qualified HSA medical expenses, review this list at [Fidelity](#).

NOTE

The IRS disqualifies employees from contributing to or receiving employer contributions to a Health Savings Account when an employee is:

- Claimed as a dependent on someone else's tax return.
- Covered under another health plan that's not a qualified High Deductible Health Plan (HDHP), such as:
 1. Double-covered and enrolled in a parent or spouse's plan that's not a qualified high deductible health plan
 2. Enrolled in Tri-Care
 3. Enrolled in Medicare (any part)
 4. You or your spouse enrolled in a traditional Medical Flexible Spending Account

FIDELITY INVESTMENTS HSA

Fidelity Investments is our vendor for Health Savings Accounts (HSA) opened with enrollment in one of the HSA plans. You can pay for your medical expenses right from your HSA and are able to see both your HSA and retirement plan balance information on one website!

If you are new to an HSA plan in 2023, after open enrollment you must finalize the activation of your HSA in your Fidelity account. Watch for emails from Fidelity mid-December to mid-January with specific information on how to complete those steps. If you do not complete these steps, HSA dollars cannot be funded into your account. You have a maximum of 90 days to complete these steps for funding. Don't miss out on the employer funding!

