

Your Health. Your Money. Your Choices

High Deductible Health Plan,

HSA and VEBA

An hybrid approach to fit your lifestyle and healthcare needs.



HSA Overview

What is a Health Savings Account (HSA)?

- Combined with a High Deductible Health Plan
- Contributions to the account are for current or future medical expenses
- No "use it or lose it"
- Investment opportunities
- Portable
- Beneficiary can be named to account
- Post age 65 non-medical distributions without penalty



HSA Employee Advantages

- Control over the account
- Ability to contribute tax free dollars to HSA (2017 limits: \$3,400 single, \$6,750 family)
- Rollover provides opportunity to save for future health expenses
- Tax-exempt withdrawals for qualified medical expenses not covered by the health plan
- Interest and earnings grow tax free with investment opportunities
- Portability
- Post 65 non-medical withdrawals



HSA Employee Advantages

This is the employee's account and the entire balance belongs to the employee, regardless of your present or future employment and/or who deposited the funds.



VEBA Overview

What is a VEBA Account?

Financial account that is held in the employee's name.

- Contributions to the account are to pay for current and future medical expenses
- No "use it or lose it" – unused funds rollover
- Can be spent post employment
- Interest is earned tax free
- Investment Opportunities
- Beneficiary on death of account holder (unique to MHC)
- Employer only contributions
- Eligibility follows medical plan (single health plan = single VEBA)



VEBA Overview

Who is eligible to enroll and contribution to a VEBA?

Enrollment:

Any individual employee that:

- Enrolls in the VEBA option medical plan
- No conflict being covered by another health plan or FSA – VEBA accounts coordinate with other benefits

Contributions:

Employer Only – No Employee Contributions



VEBA Employee Advantages

- Control over your account for qualified distributions
- Rollover provides opportunity to save for future health care expenses
- Tax-exempt withdrawals for qualified medical expenses not covered by the health plan
- Interest and earnings grow tax free with investment opportunities
- Spend down – post employment
- **VEBA dollars can be used to pay medical premiums (post employment)**



You Decide

- One compliant High Deductible Health Plan
- Employer offers both an HSA or VEBA
- Employee can have the employer contributions one of three ways
 - 100% to the VEBA
 - 100% to the HSA
 - 50% VEBA, 50% HSA
- Employee must limit VEBA with HSA contributions
- Employee can fund up to the IRS max into HSA through payroll deduction (or separately)
- VEBA – in a limited status waiting to pay insurance premiums post employment
- Win – Win – can change contribution from VEBA to HSA annually



VEBA/HSA Product Review

HSA VS VEBA



Account



What happens to my VEBA account if I move to the HSA plan?

- Active VEBA accounts make employees not eligible to contribute to the HSA account
- VEBA account will be limited to Dental and Vision only claims if you choose the HSA option
- Dental and Vision claims are also eligible from the HSA
- VEBA accounts can be completely frozen at the individual employee's request, thus making the VEBA not eligible to pay dental and vision (complete VEBA stop form)
- Once you are no longer eligible to contribute to the HSA, the VEBA can be opened to all IRS 213 D expenses, giving you the option of which account pays eligible expenses.

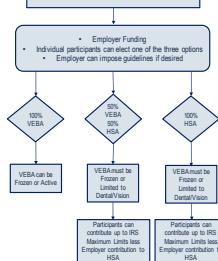


Account Funding Strategy

- Use the preventive care portion of your plan (paid at 100%, with no deductible)
- Retail clinics or telemedicine
- Use 911 if necessary - if not a life or death situation, evaluate emergency room need
- Use generic drugs
- Inform your provider that you are on a HDHP
- Shop for medical care – compare charges and outcomes



Qualified HDHP



SelectAccount Innovative Combo Plan

One Health Plan
Two Benefits
One Fee
Compliance/Education/Expertise

Qualified HDHP 2017

	Single	Family
Minimum Deductible	\$1,300	\$2,500
Maximum Out-of-Pocket	\$6,500	\$13,000
Maximum Contribution	\$1,400	\$2,700
Age 55 Catch-Up	\$1,000	\$1,800

To be in Medical Coverage after Minimum Deductible
Includes preventive services

SelectAccount
Accounts to save money. Funds to help you live.



OPENENROLLMENTS	3	3	3	MaximumSave/FamilyS
Saving/Spending/Account	3	3	3	Combination
Employer Contribution/VS&LA/JIB	3	3	3	VS&LA/Benefit&Dental&Vision
Employee Contribution/LA/JIB	3	3	3	HSA/MEDICAL
Cash/Check/Overnight/Skip/LA/JIB	3	3	3	00000
TOTALS/ENROLLS	3	3	3	\$47500

Plan Design and Premium Savings (Estimated at 10% savings on new plan vs. \$1,250/500000 HEP plan)			
	SINGLES	FAMILIES	
Annual Deductible and Max Out-of-Pocket	\$ 0	\$ 0	\$ 2500.00
Estimated Premium Savings	\$ 500/500000 HEP vs. \$500/1000	\$ 500/1000	\$ 500.00
Total	\$ 0	\$ 0	\$ 1,800.00

Medical Benefits/Healthcare		
Medical	\$ 0	\$ 1,000
Drug Plan	\$ 0	\$ 5000
Orthodontics	\$ 0	\$ 5000
Life/Disability	\$ 0	\$ 1000
General	\$ 0	\$ 1000
Healthcare	\$ 0	\$ 1000
Healthcare/Hospital	\$ 0	\$ 1000
Summary	Premiums	\$ 0
		\$ 1,000



Minnesota
Healthcare
Consortium
Participating Minnesota Service Agencies

OPENING BALANCE	+	Interest	Debit	Credit	OPENING BALANCE
Savings/Spending Account	+		Contribution	+	Saving/Spending Account
Employer Contribution to 401k Account	+		\$2,000.00		HS401k Savings/Spending Account
Employee Contribution to 401k Account	+		\$1,500.00		HS401k Savings/Spending Account
TOTAL FUNDS	+		\$5,500		

Plan Design and Premium Savings (Estimated Total New Premium)		SINGLE	FAMILY
Annual Deductible and Max Out-of-Pocket	\$ 0	\$ 12,500.00	\$ 6,500.00
Estimated Premium Savings (g)	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00
Family (\$10,000.00 to \$1,000.00)	\$ 0	\$ 0	\$ 1,000.00



Minnesota
Healthcare
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Participating Hospitals & Service Organizations

OPENENHOLDNING		BountySaver/Single	
Saving/Spending	Account	Contribution	Saving/Spending
Employer	Contribution	\$1,645.00	HGSaving/Spending
Employee	Contribution	\$1,500.00	HGSaving/Spending
TOTALSUNO		\$1,500	



Minnesota
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Participating Minnesota & Wisconsin

OPEN ENROLMENT: 2 0 HeartlandSingle		
Employee Spending Account	0	0
Employee Contribution	0	0
Employee Contribution for HSA	0	\$10000 0
Employee Contribution for HSA/B	0	\$15500 0
Contribution for HSA/B	0	\$15500 0
TOTAL HSA/B	0	0
		\$0000 0
Plan Premiums & Premium Savings		
Annual Deductible for Medical Plan	0	0
Contribution for Premium Savings	0	\$5000 0
		\$5000 0
Medical Deductible & Premium Savings		
Medical Deductible	0	\$10000 0
Other Deductible	0	\$10000 0
Medical Premium	0	\$4000 0
Medical Premium Savings	0	\$5000 0
Total Medical Deductible	0	\$21,000 0
Annual Deductible for Vision	0	\$0000 0
Contribution for Vision	0	\$0000 0
		\$0000 0
HSA & Employee Contribution	0	\$4,20000 0
Medical Premium Savings	0	\$1,0000 0
Annual Deductible	0	\$1,00000 0
		\$5,2000 0
Summary		
Premium Savings	0	0
Employee Employee Contribution	0	0
Employee Contribution for HSA/B	0	\$15500 0
Total Employee Contribution	0	0
		\$15500 0



Questions?

Thank you for your attention. Your presenters:

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