

What is an HSA?

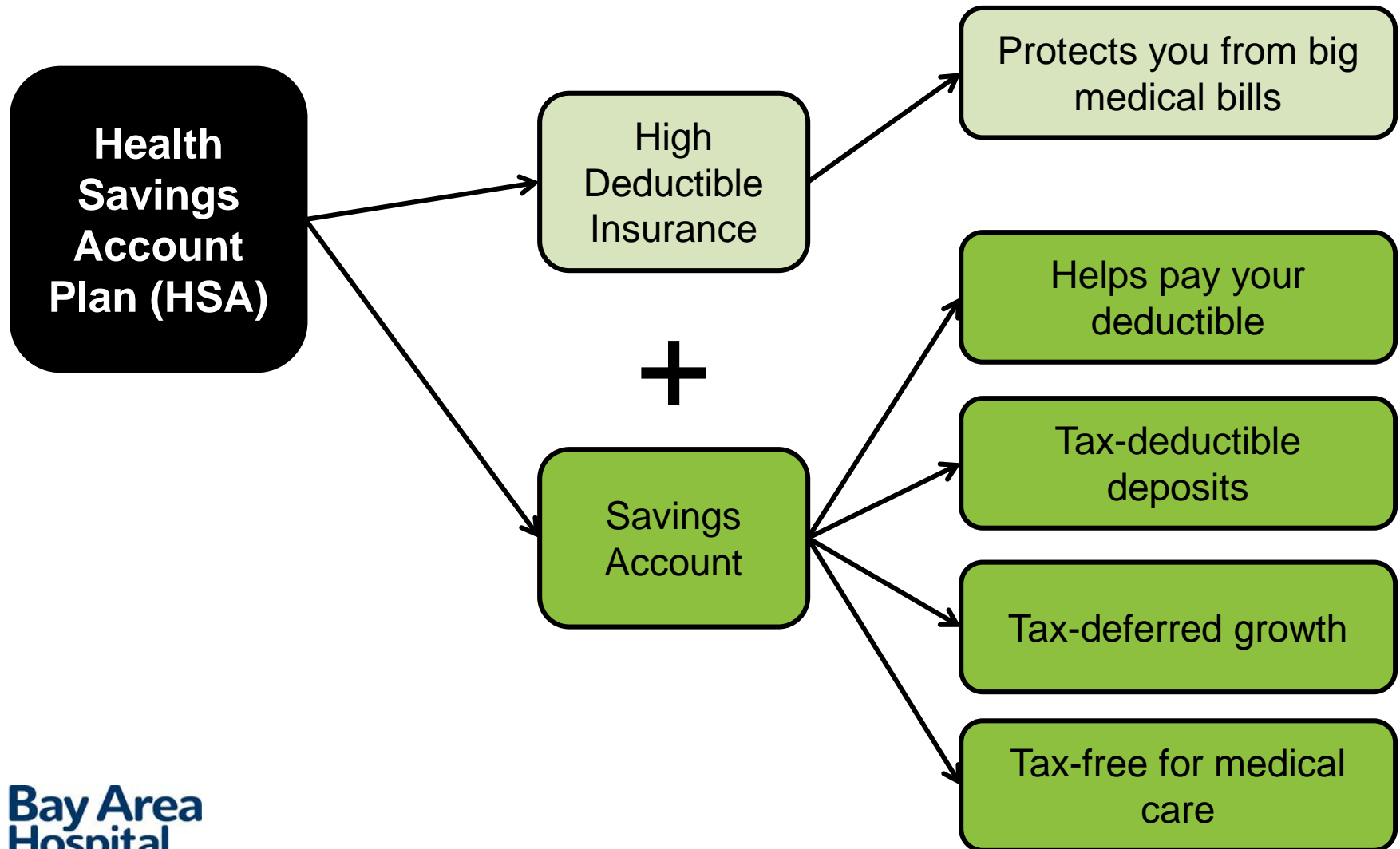


Tax-favored savings account for paying medical expenses.

- **Tax-deductible**
Contributions are **100% deductible** (up to the legal limit).
- **Tax-free**
Withdrawals for qualified medical expenses are **never taxed**.
- **Tax-deferred**
Interest earnings accumulate tax-deferred, and if used to pay qualified medical expenses, **are tax-free**.
- **HSA money is yours to keep!! This is your account regardless if you leave Bay Area Hospital**
Unlike a flexible spending account (FSA), unused money isn't forfeited; it continues to grow, **tax-deferred**.



How does it Work?

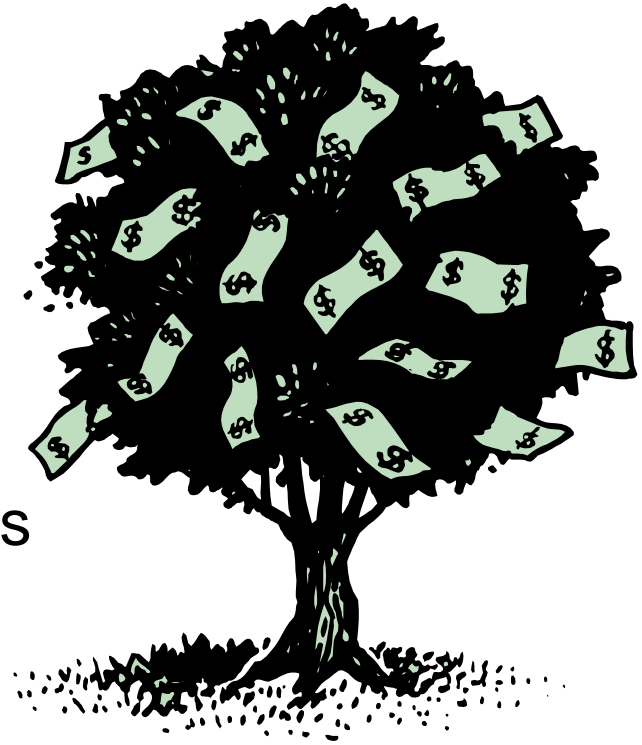


How does it Work?

An HSA works **with** a high deductible health plan to:

- ✓ Pay the health insurance deductible
- ✓ Pay for other qualified medical expenses
- ✓ Bank card accepted at many providers

Once you meet your calendar-year deductible, the **health insurance** pays remaining covered expenses in accordance with your plan.



What are the advantages?

- Saving tax dollars
- Lower premiums deducting from your paycheck
- Rolls over from one year to the next (unlike the Flex Account)
- Take it when you leave BAH
- BAH contribution \$2,000
- Comes with a bank card for easy access to funds
- Once age 65 no penalty for using funds to pay non-medical expenses

What are the disadvantages?

- Higher deductible
- Higher out of pocket limit
- No co-pays-all paid at % (including Rx)
- Cannot keep your HRA balance
- Prescriptions apply to deductible

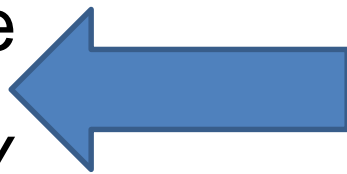
Who can have an active HSA?

- ✓ Are you covered by qualified high-deductible health plan (HDHP)?
- ✓ Are you **not** covered by a different health plan?
- ✓ Are you **not claimed as a dependent** (non-spouse dependent) on another person's tax return?
- ✓ Are you **not** enrolled in Medicare?

You can have an HSA!

Who puts money in my HSA Account?

- ✓ Bay Area Hospital will contribute \$900 in January and then \$100/month thereafter.
- ✓ If qualified for Wellness rebate, additional \$500
- ✓ Individual maximum contribution:
 - ✓ \$3,450 Single
 - ✓ \$6,900 Family
- ✓ Age 55+ additional \$1,000 per year



Includes BAH contribution

What are the health plan benefits offered under the new HSA health plan?

- ✓ All expenses incurred on this HSA (Including prescriptions) are subject to the deductible amount of \$2,000 (self-only coverage) \$2,600/\$4,000 (self plus dependent)
- ✓ Once the deductible is met, all services are covered at 90% (BAH) 80% in-network providers, 60% out-of-network (including prescriptions - 80%/60%)
- ✓ Once you meet your individual out of pocket maximum of \$4,000 plan covers 100%
- ✓ Preventive Services are paid at 100%

Dental & Vision

- Dental & Vision services are covered under traditional plan
- Services will not apply to \$2,000/\$2,600 deductible
- HSA can be used to pay Dental/Vision

Employee Health Clinic

How do the benefits compare?

| 2019 Proposed Plan Attributes | HDHP | PPO Plan 1 | PPO Plan 2 |
|--|--|---|---|
| Medical | | | |
| Eligibility | 20 Hours/Week; 1st of the Month Following DOH | 20 Hours/Week; 1st of the Month Following DOH | 20 Hours/Week; 1st of the Month Following DOH |
| Deductible | \$2,000 Individual \$4,000 Family (\$2,600) | \$250 Individual \$1,500 Family | \$500 Individual \$1,000 Family |
| Individual Out of Pocket Maximum | \$4,000 Individual \$8,000 Family | \$3,000 Individual \$6,000 Family | \$3,500 Individual \$7,000 Family |
| HRA | N/A | N/A | N/A |
| HSA Monthly Employer Contribution | \$2000/year | N/A | N/A |
| Office Visit Copay | N/A | \$15 Copay | \$20 Copay |
| Coinsurance: | | | |
| at BAH | 10% | 10% Inpatient / 20% Outpatient | 10% Inpatient/ 20% Outpatient |
| at Participating Provider | 20% | 20% | 20% |
| at Non Participating Provider | 40% | 30% / 40% | 30% / 40% |
| Emergency Room | 10% / 20% / 40% | \$150 copay, then 10% / 20% / 40% | \$150 copay, then 10% / 20% / 40% |
| Wellness Premium Rebate | \$500 | \$500 | \$500 |
| Pharmacy | | | |
| Generic | 20% | \$10 | \$10 |
| Preferred Brand | 20% | \$45 | \$35 |
| Non-Preferred Brand | 20% | \$60 | \$50 |
| Preventive Drugs | \$0 | \$0 | \$0 |

What do I need to do if I want to enroll in the new HSA plan in 2019?

- ✓ You may not be enrolled in a *Health* Flex Spending Account if you are enrolled in a Health Savings Account.
 - If you are currently enrolled in 2018 with a Health Flexible Spending Account, you will need to use those funds before March 31, 2019 or they will be forfeited.
 - If you enroll in the Health Savings Account you may still participate in the **Dependent Care** Spending Account
 - If you are currently enrolled in 2018 with a Health Reimbursement Account, you will need to use those funds before March 31, 2019 or they will be forfeited.
- ✓ Questions about the HSA plan? Please see HR
- ✓ Plan choices made at open enrollment will remain in effect for the plan year.