

HIGH DEDUCTIBLE HEALTH PLAN (HDHP) & HEALTH SAVINGS ACCOUNT(HSA)



You do a great job of taking care of yourself and your family. Choosing the right health plan makes your job easier. Let's see if a high deductible health plan with health savings account is the right choice.

TYPES OF HEALTH PLANS



High Deductible Health Plan

An HDHP, or high deductible health plan, sometimes called a CDHP, or consumer-driven health plan, is similar to a PPO. You have the flexibility to choose any medical provider for your health care services. HDHP plans usually cost less but have a higher deductible than traditional PPO plans. With an HDHP, you pay the full cost for most medical expenses before your benefits kick in -- expenses like the full cost of most prescription drugs and physician's office visits -- but you are always covered in full for preventive care visits and you are also protected from excessive costs. Once the total amount you pay reaches your plans annual out-of-pocket maximum, your plan pays 100% of eligible costs for the rest of the year.

Health Savings Account

An HSA or health savings account works together with an HDHP. It's a personal savings account that you use to set aside pretax dollars for your out-of-pocket health care expenses. The funds you deposit into an HSA are not subject to federal taxes. They earn interest tax free and any withdrawals you make to pay for qualified medical expenses are also tax free. You may elect to contribute funds into your HSA up to annual IRS maximums. These funds are yours to save or spend on eligible health care expenses for you and anyone in your family whenever you need it. You can use it to pay for qualifying out-of-pocket medical, dental and vision expenses, such as deductibles, coinsurance and copays. Best of all, if you have any funds left over in your account at year end, it will simply roll over. You can use your unspent HSA funds as a cushion for unexpected future health care expenses or as a saving for your retirement years. Even if you change jobs, your HSA stays with you forever.