



Health Savings Accounts (HSA)



HSA Overview

Your HSA is a health care solution that helps you control health care costs in the short-term through lower health premiums and tax savings. Your HSA also allows you to plan for future health care expenses through an interest-earning savings account and investment vehicles. HSA plans are very different from traditional health plans and have two key components:

High Deductible Health Plan (HDHP): YOUR HEALTH

- ✓ Health insurance plan that has a higher member out-of-pocket responsibility, called a deductible, before insurance carrier begins paying towards your medical expenses.
- ✓ Although your health plan's deductible is higher, your premiums will be generally lower to help you afford the potential higher out-of-pocket expense.
- ✓ The health plan covers all the same services as a traditional health plan such as hospitalization, office visits, labs and prescriptions.

Bank Account (HSA): YOUR WEALTH

- ✓ Savings account funded with pre-tax dollars that helps you pay for your qualified health care expenses.
- ✓ Qualified health care expenses include services applied toward your deductible as well as other health care necessities incurred by you and your tax dependents such as dental and vision expenses.
- ✓ HSA is an FDIC-insured interest bearing bank account.
- ✓ Funds in the pre-tax bank account rollover from year to year.
- ✓ Funds can be invested to plan for long-term health care needs.



HSA Payment Process

Debit Card:

- ❖ At facility show your Insurance Carrier ID Card.
- ❖ If billed at point of service, member swipes London Health debit card to pay bill. For example, if you are at the pharmacy, you can use your London Health debit card to pay for the prescriptions at the point of service.
- ❖ If bill is mailed, member can call provider to process debit card or state debit card # on bill and mail it back to provider.

Checkbook:

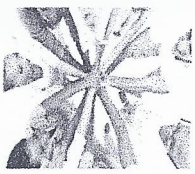
- ❖ Show your Insurance Carrier ID card to provider who verifies deductible amount with your insurance carrier.
- ❖ If billed at point of service, member writes check from HSA bank account.
- ❖ If bill is mailed, member writes check from HSA bank account and mails to provider.

eClaims Manager:

- ❖ Login to London Health's member portal and click **ECLAIMS MANAGER**.
- ❖ The eClaims Manager will display the claims uploaded by your insurance carrier that can be paid with your HSA funds.

Action	Date of Service	Provider	Description	My Responsibility	Paid non-Reimbursable	Reimbursed From My Accounts	My Remaining Responsibility
	3/15/2014	ABC Hospital	Claim uploaded by insuran...	\$250.00	\$0.00	\$0.00	\$250.00
	2/15/2014	Dr. Smith Associates	Claim uploaded by insuran...	\$500.00	\$0.00	\$0.00	\$500.00
	1/15/2014	City Medical Testing	Claim uploaded by insuran...	\$300.00	\$0.00	\$0.00	\$300.00

- ❖ When you are ready to pay a claim, click symbol and you will be directed to the online bill pay option.
- ❖ Complete necessary data fields within the online claim form and click submit to send payment to your provider.



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HSA Tax Savings Illustration

Employee Savings Illustration:

	Not Enrolled in a HSA	Enrolled in a HSA	Benefits
Before-Tax Annual Income:	\$38,000	\$38,000	
HSA Contribution	\$0	-\$500	HSA funded by pre-tax dollars
Taxable Annual Income:	\$38,000	\$37,500	
Federal Income Tax (15%)	-\$5,700	-\$5,625	Pay less in Federal Income Tax
State Income Tax (4%)	-\$1,520	-\$1,500	Pay less in State Income Tax
FICA Tax (7.65%)	-\$2,907	-\$2,869	Pay less in FICA Tax
Out-of-Pocket Medical Expenses	-\$500	\$0	Out-of-pocket medical expenses paid by pre-tax dollars in your HSA
Take-Home Annual Income	\$27,373	\$27,506	Take-home income increases by \$133

**Illustration is just an example. Incomes, contributions, and taxes will vary by individual and state.*

Since taxable income decreases for the employee, the employer pays less in payroll taxes.

Less taxes are taken out of the employees's paycheck since the employee's taxable income decreases, therefore their take-home income increases.



HSA Eligible Expenses

- Acupuncture
- Ambulance
- Artificial Teeth
- Birth Control
- Braces
- Chemical Dependency
- Child Birth/Delivery
- Chiropractors
- Contact Lenses
- Copays
- Deductibles
- Dental Expenses
- Dermatologist Fees
- Diagnostic Testing
- Durable Med. Equip.
- Physician Fees
- Eyeglasses
- Eye Surgery
- Hearing Aids
- Hospital Services
- Insulin Treatment
- Laboratory Fees
- Long-Term Care
- Mental Health
- Neurologist
- Nursing Homes
- Over the Counter Meds**
- Optometrist
- OBGYN Services
- Pediatrician
- Physician Services
- Prescription Drugs
- Psychiatric Care
- Psychologist
- Smoking Cessation Programs
- Surgeon Fees
- Therapy (PT/OT/ST)
- Transplants
- Transportation For Healthcare
- Vision Expenses
- Weight Loss Program
- X-Ray Fees

****Please note:**

Over-the-counter drugs are only eligible expenses if you have a doctor's prescription

COUNTY HEAT TREAT

Health Savings Account Employee Contribution Authorization Form

Employee Information:

Employer/Company Name: COUNTY HEAT TREAT		
First Name:	Last Name:	
Street Address:		
City:	State:	Zip Code:
Date of Birth:	Social Security #:	

Employee's HSA Contribution Per Pay Deduction/ Allocation:

<i>Annual HSA Amount</i>	<i># of Payrolls</i>	<i>Per Payroll Amount</i>
Employee HSA Contribution: \$ _____	divided by _____	= \$ _____

I Understand That:

- (1) I agree to have my compensation reduced by the deduction amount(s) stated above. I further understand that the Health Savings Account deduction will be in effect until my participation in the HSA is terminated and I may make changes at any time to my HSA contribution.
- (2) By signing this form, I confirm all information stated is true and correct.

Employee Signature:

Date:
