

# HSA SMARTNEWS!

November 2011

## How to Get the Most Out of Your HDHP and HSA

### Choose a Plan That Works Best for You

Identifying the costs and savings of different healthcare plans will allow you to compare the plans in a realistic way and help you choose the one that works best for you.

Josh and Stephanie provide a good example. They are a working couple who recently got married, and they needed to decide which family insurance plan offered through their employers would best suit their needs.

Josh works for a bank and has been enrolled in a High-Deductible Health Plan (HDHP) with a Health Savings Account (HSA) option. Stephanie works in a pharmacy and has been enrolled in an HDHP with a Health Reimbursement Account (HRA). When they sat down and reviewed the plans, they considered the following figures:

	Stephanie (HRA)	Josh (HSA)
<b>Deductible</b>	\$3,000	\$4,000
<b>Employer Contribution</b>	\$1,500	\$0
<b>Co-insurance Cost (after deductible is met)</b>	10%	\$0
<b>Maximum Out-of-Pocket</b>	\$5,000 In Network	\$4,000
<b>Bi-weekly / Annual Premium Cost</b>	\$163 / \$4,238	\$70 / \$1,820

- Stephanie's plan has a **\$3,000** deductible; her employer will contribute **\$1,500** to an HRA to help offset this cost. Once her deductible is met, the plan requires 10% co-insurance for in-network expenses. Her plan also maintains an out-of-pocket limit of **\$5,000** for in-network care.
- Josh's insurance plan has a **\$4,000** deductible, which is also the overall maximum out-of-pocket limit. His employer does not contribute to his HSA.
- Under Stephanie's plan, the premiums for herself and a spouse would be \$163 every two weeks, totaling **\$4,238** annually. Josh's insurance premium for himself and a spouse would be \$70 every two weeks, or **\$1,820** annually. Josh's plan premiums would cost **\$2,410 less** than Stephanie's for the year.
- The projected cost of Stephanie's plan is calculated as follows: **\$4,238** (annual premium) + **\$3,500** (difference between the employer-provided HRA balance and the annual in-network out-of-pocket maximum) = **\$7,738**
- The projected cost of Josh's plan is calculated as follows: **\$1,820** (annual premium) + **\$4,000** (amount necessary to reach the out-of-pocket maximum) = **\$5,820**

In their decision making, they considered that even though Stephanie's employer would contribute **\$1,500** to an HRA on her behalf, the gap to meet her \$3,000 deductible would be \$1,500 (not taking into account the additional 10% co-insurance costs after the deductible is met). Any money that goes unused in Stephanie's HRA plan is returned to the employer, and any expenses after the HRA funds are exhausted are paid from the employee's personal account.

If Stephanie and Josh deposit the premium savings from not participating in her employer's plan (**\$2,410**) into an HSA, they will only need an additional **\$1,590** in order to meet the family deductible limit of \$4,000 for Josh's plan (which is also the maximum out-of-pocket limit for his plan).

Look forward to our upcoming newsletters for further detailed healthcare information!

If Josh and Stephanie have a relatively healthy year, they could take the **\$2,410** in premium savings that they contributed to the HSA and roll it over into 2012, giving them a good head start towards their deductible for that year. If they continue to save only the premium difference (\$2,410) over the course of the next plan year, they will have accumulated **\$4,820** in their HSA!

And, because the HSA is a tax-advantaged account, the couple also will benefit from a tax savings of **\$602** each year (assuming a total contribution of \$2,410 per year in a 25% income tax bracket).

Remember – HSA funds are yours to keep, and there are no “use it or lose it” requirements!

Building their HSA account and rolling over the funds will give Josh and Stephanie the flexibility to save for future healthcare expenses, or to use the funds now to upgrade their prescription glasses, pay for contact lenses, etc.

It is important to review and understand the total costs and savings of each plan offered each year. While it may be hard to predict your health conditions in the future, it's always best to prepare ahead of time and have savings ready to cover out-of-pocket healthcare expenses.

If you would like to analyze possible savings and compare health plans, visit our Web site at [www.thebancorphsa.com](http://www.thebancorphsa.com) and click on the “HSA Calculators” banner on our home page.

## New Services and Features

### Enjoy Free, Secure and Convenient Access to Your Online Statements

One of the benefits of online banking is the opportunity to receive your bank statements electronically. By signing up for online statements, you will enjoy free, secure and convenient access to your statements and avoid the mailed paper statement fee.

Why not simplify your life? Online statements are:

- FREE:** Pay nothing for direct access to your statements.
- SAFE:** Reduce the risk of identity theft and mail fraud.
- SIMPLE:** Cut the clutter! No piles of statements on your desk.
- ECO-FRIENDLY:** Protect the environment by using less paper.
- CONVENIENT:** View, print and download – anytime, anywhere.
- TIMELY:** Get immediate notification by email as soon as your statement is available.

You will receive one more paper statement after you enroll for online statements, so the sooner you sign up, the sooner you will start saving money!

For new HSA account holders, our monthly paper statement fee is waived for the first three statement cycles after account opening, giving you plenty of time to enroll for online statements. If you are interested, be sure to sign up before your third statement is issued, in order to avoid the fee altogether (you will receive one more paper statement after you enroll). If you choose to receive paper statements by not enrolling for online statements, you will start to see the mailed paper statement fee in your fourth statement cycle. (See the Schedule of Fees on our Web site for details.)

To sign up for online statements, log on to your account at [www.thebancorphsa.com](http://www.thebancorphsa.com) and navigate to “My Accounts > Statements.” Then, simply follow the instructions for enrollment.

If you have any questions, or if you need assistance at any time, contact our Customer Service team by phone, toll-free, at 800.555.9316, or by email at [bancorphsa@thebancorp.com](mailto:bancorphsa@thebancorp.com).

## FAQs

### How will I know when my online statements are available?

You will be notified by email as soon as a new statement is available online.

### I can't remember my user ID or password for the Web site. Help me log on to my account so I can sign up for online statements.

Your user ID for online access was included in the welcome booklet we sent you when you opened your account. We sent you your password by email, if we had your email address at the time, or by U.S. mail, if we didn't. If you cannot find either one, please call Customer Service at 800.555.9316, and we'll be happy to help.