



BlueCross BlueShield
of Delaware

Blue *Advantage*[®]



Your HSA Guide

Blue Cross Blue Shield of Delaware (BCBSD) understands the challenges created by rising health care costs. Our Health Savings Account (HSA)-compatible **BlueAdvantage®** consumer-directed health benefits plans are designed to help you with your health care spending decisions.

With this **BlueAdvantage** product, you have a high-deductible health plan (HDHP) and an HSA, a tax-advantaged health savings account. Establishing an HSA may help you save on your health care costs. The money in the account is yours — you can use it to pay for qualified medical expenses, save it, or invest it.

Highlights:

- **Fully-Integrated Product:** **BlueAdvantage** plans with HSAs provide a health benefits plan, your HSA, and consumer tools that help you to be a savvy health care consumer
- **Triple Tax Advantage:**
 - Tax-excludable contributions to an HSA
 - Tax-exempt interest and investment gains
 - Tax-free withdrawals from an HSA for qualified medical expenses
- **Portability:** You own the account, so it remains with you regardless of where you work
- **Flexibility:** HSAs can be used to pay for qualified medical expenses not typically covered by some health benefits plans
- **Investing Potential:** HSA funds can be invested to maximize future value retirement savings

Why BlueAdvantage?

While you have the option of opening an HSA with the company of your choice, integrating your HSA with your **BlueAdvantage** HDHP through BCBSD offers many benefits — but most importantly, it offers convenience.

Your HSA funds and **BlueAdvantage** HDHP plan information are integrated online so it's easy to track your health care dollars. Simply log in to **bcbsde.com** to securely access your personalized webpage. There, you can check your HSA balance(s), view claims information, and link to a variety of health, education and benefits tools. Additionally, BCBSD handles any employer-contributions processing and payment to the HSA bank.

How to Use Your HSA

Step 1: When you receive health care services, you or your provider submits a claim to BCBSD for processing under your health insurance plan.

Step 2: BCBSD processes the claim and then determines the provider's allowable charges.

Step 3: If your in-network deductible has not been met, BCBSD makes no payment to the provider.

Step 4: An Explanation of Benefits (EOB) from BCBSD will provide you with claims information for your records. Use it as a reference for identifying the in-network deductible amount to pay your provider and also to verify your remaining in-network deductible balance.

Step 5: The provider may bill you for the amount of the expense that has been applied to your deductible. You may pay the provider with your prepaid debit card or with another method of payment, and request reimbursement by submitting a claim.

Step 6: After your in-network deductible is satisfied, your plan will pay a percentage (based on the plan you have selected) of the cost of covered medical services until you have reached the in-network, coinsurance maximum. Your plan will then pay 100 percent of in-network services for the remainder of the plan year. There is a separate out-of-network deductible, coinsurance and out-of-pocket maximum for out-of-network services.

Step 7: Any account balance remaining in your HSA will roll-over from year-to-year — and stays with you if you change employers.



Save For Your Health — And Your Future

Open a Health Savings Account

You choose when to spend and when to save

With an HSA, you can accumulate savings now for future medical expenses. Each time you pay for a qualified medical expense, you can choose to pay out-of-pocket or access the funds in your HSA. Even after you no longer have an HDHP (and are not eligible to contribute to an HSA), you can still access those funds. So, your HSA funds will be available whenever you need them — now or in retirement.

You choose whether to invest

Once you've accumulated \$2,500 in your HSA, you can choose to invest funds in various investment products offered through National Financial Services LLC, a Fidelity Investments Company, to increase your growth potential. Investment gains are also tax-exempt.

You may reduce your premium costs

An HDHP with integrated HSA generally offers you lower premiums and HSA tax savings.

Establishing Your HSA

Once you sign up for a **BlueAdvantage** health plan, establishing an HSA is simple:

1. Complete and sign an *HSA Declaration Form* and *HSA Authorization Form* to establish your HSA.
2. The HSA bank* will open your HSA and mail you an HSA welcome packet. Please complete and return the *HSA Signature Card* enclosed in the welcome kit within 10 business days of receiving the kit.
3. Your MyAdvantageHSA™ debit card, checks, Personal Identification Number (PIN) and online password will be mailed within two-to-three business days after the account is opened. Separate mailings are used for security purposes.



Additional HSA Account Features

- No application or account set-up fees
- No monthly account fees
- Interest earned on your account from your first dollar deposited
- VISA^{®†} MyAdvantageHSA[™] debit card for easy HSA account access and no annual fee
- Free first order of checks
- Full account access online to monitor savings and expenses at **MyAdvantageHSA.com**
- Investment products, offered through National Financial Services LLC, a Fidelity Investments Company, Member NYSE, SIPC
- 24/7 customer service provided by the HSA bank

To help manage health care expenditures, our website, **bcbsde.com**, provides access to personalized web pages where you can view claims information. You can also link to a variety of health, education and benefit tools.



Frequently Asked Questions About HSAs

What is a Health Savings Account (HSA)?

An HSA is a tax-exempt savings account established to pay for qualified medical expenses, such as deductibles or copays, that are incurred by eligible individuals, but are not covered by the health benefits plan. Contributions to the HSA can be made by you, your employer, any family member or any other person on your behalf. HSA contributions made to an employee's HSA are tax-excludable. When HSA funds are used to pay for qualified medical expenses incurred by a qualified individual, they will not be considered taxable income to the HSA account owner.

A key feature of an HSA is that the account is portable and remains with the individual even if he/she changes employers. Funds contributed to an HSA roll-over from year-to-year while balances earn interest until funds are used to pay or reimburse for medical expenses incurred by a qualified individual. In the future even when an individual is no longer eligible to contribute to an HSA, an individual may use the HSA to pay for, or reimburse, any qualified medical expenses incurred by a qualified individual after the HSA was established.

Who is eligible to open and contribute to an HSA?

The common eligibility requirements to contribute to an HSA are listed below:

- Maintain coverage under a qualifying HDHP
- Not enrolled in Medicare
- Not eligible to be claimed as a dependent on someone's tax return
- Not covered by any other health plan not permitted by the HSA rules

Can my employer contribute to my HSA?

Contributions to HSAs can be made by you, your employer, any family member or any other person on your behalf. All contributions are combined in total to determine whether you have contributed the maximum allowed. If your employer contributes some of the money, you or another person can make up the difference to reach the maximum.

What is the maximum amount I can contribute to my HSA for each calendar year?

Your maximum annual contribution is based on a federal statutory limit, subject to annual cost-of-living indexing. Visit [ustreas.gov](https://www.ustreas.gov) and click on *Health Savings Accounts* for more information. If you are age 55 or older, you can also make additional "catch-up" contributions of \$1,000 annually.

When does eligibility for an HSA begin?

Your eligibility to contribute to an HSA is determined by the effective date of your **BlueAdvantage** HDHP coverage, not by the date you establish your HSA.

By federal law, you are limited on how much you can contribute to your HSA each year. For more specific information and examples of how the contribution limitations may affect you, visit **ustreas.gov** and click on *Health Savings Accounts*.

Who decides whether the HSA money I'm spending is for a qualified medical expense?

You are responsible for that decision, and should familiarize yourself with what qualified medical expenses include (visit **irs.gov** and search for “Publication 502” to see a partial list). You should also keep your receipts in case you need to justify your expenditures during an audit. If you are uncertain, please consult with a tax advisor before paying for, or reimbursing, medical care from your HSA to be sure that the medical care is a qualified medical expense.

When can contributions be made?

Contributions can be made on a periodic basis or in one lump sum. Contributions are allowed at any time during the tax year. The last day for making a contribution to an HSA for a calendar year is April 15 of the following calendar year.

Can I transfer funds from any other investment to my HSA?

Your employer may allow a one-time, tax-free roll-over of FSA or HRA funds. Additionally, a one-time, tax-free transfer of IRA funds to an HSA is permitted.

How do I track my HSA balance?

Your HSA balance can be tracked online. Since a personal password is required to view the site, you can review your HSA information in a private and secure manner. To determine your available HSA balance, please access your account balance at **bcbsde.com** or at **myadvantagehsa.com**.

*For more information on HSAs, visit **bcbsde.com** and click on **BlueAdvantage** Consumer-Directed Plans for a link to more frequently asked questions. Additionally, you can visit **ustreas.gov** for information from the U.S. Treasury and Internal Revenue Service.*



HSA Features:

- Triple tax savings: tax-excludable contributions; tax-exempt interest and investment gains; tax-free withdrawals
- You own the account, so you control your saving and spending
- Convenient, secure online account management, including tracking HSA funds, health plan deductibles and claims submissions
- Blue Cross Blue Shield of Delaware network provider savings — access to health care services at a reduced cost when you stay in-network

**For more information,
please call BCBSD toll-free at 800.572.4400.**

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* By law, HSAs must be established with a bank or other qualified financial institution.



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