

HSA

Health Savings Account



AND WE'VE GOT IT!

SO START SAVING \$\$\$ TODAY.



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There's more to an "HSA" than Low Premiums!

An "HSA" is a high deductible health plan along with a health savings account.

An HSA is similar to an IRA, but where an IRA is a tax-free savings account for retirement, an HSA is a tax-free savings account for medical expenses.

Many of you have asked us for more information on the "HSA" Health Plans and how they work. So we have compiled ideas from several sources and condensed the information and tried to keep it as easy as possible to understand.

When you enroll in health insurance, you often have a choice of plans. Rather than choosing the costly low-deductible plan, you can now save money by enrolling in an HSA-qualified plan with a high deductible. The money you save on your insurance premium can be deposited into your HSA. You may deposit for an individual or for a family. This money is tax-free! You can use your HSA to pay your medical expenses....even many of those not covered by insurance.

How you personally see it and how it affects you

- Routine Preventive Physical - Covered (no deductibles)
- All other services are covered AFTER you meet your calendar year deductible, even prescriptions; you pay the full discounted Primary and Specialty care doctor visits.
- Office visits are usually between \$60 & \$75. Specialist visits are more.
- Once you've reached your maximum out of pocket amount Kaiser pays everything at 100%!
- You should open a Health Savings Account and try to put some money in the account monthly.
- Once your account is open you will receive a Debit Card to use to pay for your doctor's visits and prescriptions.
- If you do not open an account, or there is no money in the account, you will pay cash for all services until your deductible is met
- Any money that you put in your HSA account is YOURS. If you don't use it one year, the money rolls over and can be used the next year etc.
- You can control your out of pocket cost.
- If you get sick, you may need to spend more out of pocket than you expected but never more than your deductible and co-pays.
- You are responsible for putting or not putting money into your HSA.

All deductibles are calendar year deductibles

Why you the consumer can save Money

- * Expected behaviors from members
 - Avoid unnecessary services
 - More cost conscious when selecting treatment – e.g. choosing generic drugs
 - Avoiding expensive facilities such as emergency Rooms
- Showing more discipline about visiting the physician in the network

HSA's can motivate you to stay healthy

- * *Wellness programs – encouraging health improvement*
- * Health education programs on-site and online
- * Health Media online personalized action plans
 - Overall health assessment
 - Weight management
 - Stress management
 - Nutrition
 - Smoking cessation
- * Discounted complimentary health programs

HSA's offer a range of advantages:

- HSA's encourage savings for future medical expenses
- HSA's help you save for future deductibles
- Accounts are owned by the individual and the individual decides:

How much to contribute

How much to use for medical expenses

Which medical expenses to pay from the account

What type of investments grow the account

- No “use it or lose it” rules
- Accounts can grow through investments earnings, just like an IRA
- Accumulate unused dollars to spend during retirement
- “Catch-up” contributions allowed for individuals ages 55 and older (Contributions must stop once the individual is enrolled in Medicare)

Favorable tax treatment of contributions, disbursements and investments earnings when used for qualified medical expenses

Time is money. Get started now. Learn more about HSA's by visiting the following websites:

www.HSAed.com

www.wfhbs.com/kaiserpermantente or, en espanol,

www.wfhbs.com/spanish1.htm to enroll or get more

Information. You can also speak to a Wells Fargo CarePay HSA customer service representative at 1-866-890-8308,

5 a.m. to 6 p. m. (PT), Monday through Friday.

Health Savings Account Offer Generous Benefits

1. Contributions to the account are tax deductible
2. Tax deductions are not limited by income
3. 2009 contributions are allowed up to \$3,000 for an individual \$5,950 for a family per year
4. Interest or investment income is tax-free
5. Withdrawals are tax-free
6. Individual account set up is usually free and there there be small monthly administrative costs
7. Funds may be used to cover any medical expense recognized by the IRS in publication 502
8. Funds may be used to pay for Long Term Care insurance
9. Funds may be used to pay for health insurance while unemployed
10. IRA funds may be rolled over into an HSA (one time up to Federal maximum contribution for that year)
11. Accounts transfer tax free to a spouse at death or named beneficiary in a manner similar to an IRA Account distribution

