

Welcome



An Independent Licensee of the Blue Cross and Blue Shield Association.

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Agenda

Flexible Spending Account (FSA)

Health Reimbursement Account (HRA)

Health Savings Account (HSA)

Your Medical Flexible Spending Account (FSA)

- Expense account that works with your health plan
- Pay qualified medical costs, tax-free
- Set aside a portion of pretax payroll
- Save 10% to 40% on these costs, depending on tax bracket¹

¹ Depends on your income tax bracket. Consult a tax advisor for more information.

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How your Medical FSA works

- Estimate next year's out-of-pocket costs
 - Estimate only what you think you will use
- Equal portions are deposited from your paycheck into the account
- Total amount is available day one
- A spouse in another plan may also open an FSA
- Each account has a \$2,750 limit in 2022
- \$550 allowed rollover
- **Reminder!** Three-month runout period
 - 2021: You have till 3/31/2022
 - 2022: You have till 3/31/2023

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You can use your FSA to pay for:

- **NEW!** Over-the-counter supplies, medications, and some feminine hygiene products
- Medical expenses your plan does not cover
- Expenses for you, your spouse, and any health plan dependent
- Out-of-pocket medical expenses
 - Copayments, coinsurance and prescription drugs
- Dental and vision care expenses not covered by your health plan
- If you have an HSA, your FSA will be limited to vision and dental expenses until the deductible has been met



These you can't pay for:

- Family or marriage counseling
- Cosmetic surgery and procedures (ex. teeth whitening)
- Personal items such as toothpaste, lotions, makeup, soaps or shaving supplies
- Supplements without a doctor diagnosis
- Fitness programs and exercise equipment

Always save your receipts to ensure proper validation of expenses, as required by the IRS.



How your HRA works

- All the money is available day one
 - Licensed (\$2,100 & \$4,200)
 - Non-Licensed (\$2,200 & \$4,400)
- See your provider and have a qualified medical expense
- Use it to pay for qualified medical expenses for anyone covered by your health plan
- Funds in your HRA will pay the expenses first
- Once the funds are exhausted, you pay the rest until your deductible is met and your health plan covers the costs (can use FSA)
- You will be enrolled in medical autopay with a Rx debit card

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HRA Medical Autopay Example

1. HRA Funds are available day one.
 - Licensed (\$2,100 & \$4,200)
 - Non-Licensed (\$2,200 & \$4,400)
2. You see your provider and have a qualified medical expense.
3. The provider sends the bill (claim) to your health plan.
4. The health plan processes the claim, then sends it to your HRA for payment first.
5. Once the funds are exhausted you are responsible for the bills until you reach your deductible.

Employer funds the HRA

You see your provider

The provider bills your health plan

Your HRA pays bills first

You pay the rest

Rx Only Debit Card Example

1. HRA Funds are available day one.
2. You pick up your prescription
3. The pharmacy will verify your coverage and identify how much you owe.
4. You will then present your debit card as a form of payment.
5. Once the funds are exhausted you are responsible for the bills until you reach your deductible.

Employer funds the HRA

You go to the pharmacy

Pharmacy verifies your insurance

You present your Rx Only debit card

Funds are directly pulled from HRA

Your Health Savings Account (HSA)

- Account you own that works with your HSA-qualified health plan
- Allows you to set aside a portion of pre-tax payroll
- No taxes on the money you put in, or is taken out to pay for qualified medical expenses
- Interest earned is tax-free
- No “use it or lose it”; unused money rolls to next year
- Account stays with you, even if you change jobs or retire
- Out of pocket maximum is significantly larger than the other health plan options

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The advantage of an HSA

Called the “**triple tax advantage**”, an HSA allows its owner to see significant tax benefits beyond what other healthcare spending account do not.

- **Contribute** – tax free
- **Spend** – tax free
- **Earn interest** – tax free

Additional method for saving for future healthcare expenses either now or in retirement!





How your HSA works

- Enroll in a HSA-qualified health plan (Silver Only)
- Ensure you are not:
 - Claimed as a dependent on someone else's tax return (i.e. children)
 - Have no other health plan coverage (including spouse's medical FSA*)
 - Not enrolled in Medicare
- Set aside portion of payroll pretax, not more than:
 - 2021: \$3,600 for single, \$7,200 for family
 - 2022: \$3,650 for single, \$7,300 for family
- Convenient debit card to pay providers
- Submit bills for reimbursement for out-of-pocket

* HSA can be combined with FSA only if FSA is limited to dental and/or vision coverage



You can use your HSA to pay for:

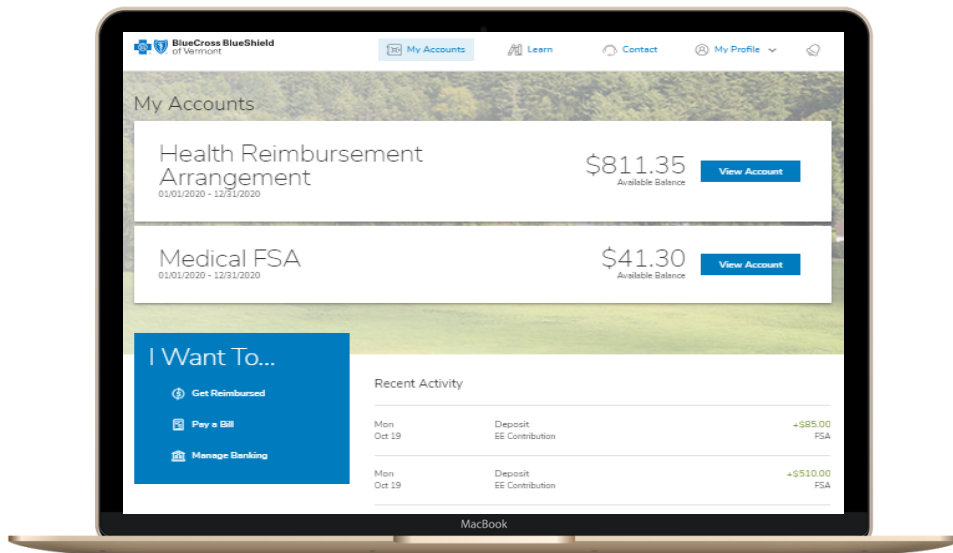
- **NEW!** Over-the-counter supplies, medications, and some feminine hygiene products
- Medical expenses that your health plan doesn't cover:
 - Out-of-pocket
 - Co-pays, co-insurance
 - Prescription drugs
- Health expenses not included in your health plan:
 - Dental and vision care
- Health insurance premiums
 - COBRA during a job transition or postemployment
 - Medicare post-65
 - Some Long-Term Care insurance premiums



These you can't pay for:

- Costs not on the list of IRS-qualified expenses (Visit [hellofurther.com](https://www.hellofurther.com) for the full list)
- Regular health insurance premiums
- Supplements – need a doctor's note

Always save your receipts to ensure proper validation of expenses, as required by the IRS.



After you're enrolled

- Standard welcome letter, no action required
- Activate your debit card
- Sign in through BCBSVT member portal
- View account activity and check balances
- Get forms and upload receipts

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Let's get started

Our expert service team is ready to help.



(866) 999-2605

M–F, 8 a.m. –9 p.m. ET



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Thank you!



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