



MAKE THE MOST OF YOUR HEALTHCARE DOLLARS

with an HSA

MANAGE YOUR HEALTHCARE SPENDING WITH A HEALTH SAVINGS ACCOUNT

Health savings accounts (HSAs) are a simple, convenient way to save for future medical expenses. You can use them for all kinds of medical expenses, from deductibles and copays to prescriptions and X-rays. An HSA is easy to set up, easy to use, and stays with you, year after year.

You must be enrolled in a high-deductible health plan (HDHP) to open and contribute to an HSA. For more information, read the FAQs on the next page.

Learn about the many advantages of HSAs

You earn a **triple tax** advantage

An HSA works much the same as a retirement savings account, letting you save and invest a piece of your paycheck toward healthcare costs. When you contribute to your HSA, you get a triple tax advantage:

- The money you put into your HSA may reduce your taxable income
- Interest earned on your HSA funds is tax-free
- The money you take from your HSA for qualified medical expenses isn't taxed

Your HSA stays with you, no matter what

Your HSA funds roll over, year after year. There is no deadline to use the funds, so you can hold onto the money for years—you can even wait until retirement to use it. If you leave your current employer, **your HSA is yours to keep.**

For a married couple in Rhode Island filing a joint tax return



This example is for illustrative purposes only and does not represent actual tax impact.

HSA contributions are subject to annual contribution maximums

2020 Annual contribution maximums

Individual plans: \$3,550	Family plans: \$7,100
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Account holders who are 55 years or older can contribute an **extra \$1,000.**

HOW TO SET UP YOUR HSA

Follow the steps below to set up your HSA through UMB Bank.* Then, you can add money to your account, order an additional HSA debit card, and use your HSA to pay your qualified medical expenses.

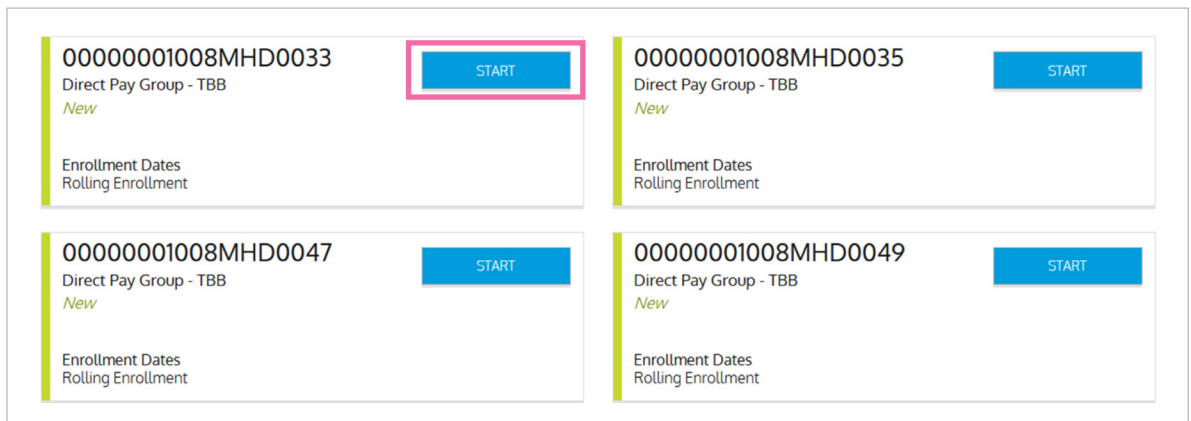
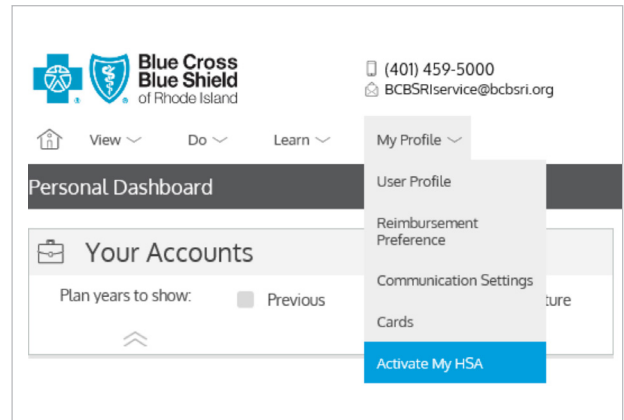
Step 1: Create a member account on bcbsri.com if you don't already have one. You'll need your BCBSRI member ID card and a valid email address.

Step 2: Once you've logged in to your member home page, click **YOUR HSA** on the left-hand tool bar. You'll be directed to your BCBSRI HSA member portal.

Step 3: Click the **MY PROFILE** tab. Then, click **ACTIVATE MY HSA**.

Step 4: Complete your registration as follows:

- **Choose any one of the four HSA options.** Click **START** next to the HSA option you select, then **ENROLL** to proceed.



- **Complete the required fields and check the accuracy of pre-populated fields.** Click **NEXT** to proceed.

A screenshot of the registration form. The 'General Info' section contains fields for: First Name (Allison), Initial (empty), Last Name (Johnston), Date of Birth (April 6, 1958), SSN (*****1958), Phone (401100000), Email (a.johnston@email.com), and Re-Enter Re-enter Email (a.johnston@email.com). The address is pre-populated as 10 SMITHFIELD WAY, EAST PROVIDENCE, 02914. The 'Address' section has two columns: 'Home Address (Not PO Box)*' with a question mark icon and 'Mailing Address'. The Home Address field contains '10 SMITHFIELD WAY'. The Mailing Address section has a 'Same as home address' checkbox and an 'Address 1' field.

To receive monthly bank statements electronically, opt in by clicking the PDF icon. You'll see a PIN#, which you must enter in the specified field. Click **YES, I ACCEPT**, and **NEXT** to proceed.

The screenshot shows a web interface with a header 'Statements & Forms'. Under 'Statements', there is a document icon and the text 'Monthly statements will be made available online as a PDF document'. Below this is a blue button labeled 'Electronic Only'. To the right, a light blue box titled 'Electronic Documents Access' contains the following text: 'In order to elect Electronic Documents, you must verify your ability to access Electronic Documents. Please open [Sample PDF File](#) and enter the PIN Number below.' Below the text is a label 'Enter PDF PIN Number' followed by an empty text input field with a checkmark icon to its right. At the bottom left of the box is a PDF icon with the text 'Click here to open PDF'. At the bottom right is a black button with the Adobe Acrobat Reader logo and the text 'Get Adobe Acrobat Reader'.

Confirm all information is correct. Add dependents if applicable, then click **SUBMIT** to complete the activation process.

The screenshot shows a web interface with a header 'Participant Demographics'. Below the header, the following information is displayed:

Allison Johnston	
Date of Birth	Home Address
April 6, 1958	10 SMITHFIELD WAY EAST PROVIDENCE, 02914 US
SSN	
.*****1958	
Phone	
401100000	
Email	
ajohnston@email.com	

Step 5: After completing the registration form and accepting all agreements, please click **DONE**. Your HSA will now be activated and you will be able to transfer money to it. Watch your mail for the following:

- Your HSA debit card, which you can use to pay for qualified medical expenses
- A welcome kit from UMB, which includes your HSA account number, checkbook, and important banking information

**UMB Bank charges a \$2.00 monthly HSA maintenance fee, which is automatically withdrawn from your account.*

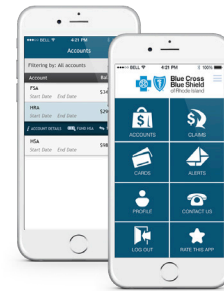
HOW TO USE (AND MANAGE) YOUR HSA

Purchases (or other qualified medical expenses) can be made directly from your HSA account, by using your HSA debit card, online bill payment, or a check.

Manage your HSA online or on your phone

Use the **member portal** on bcbsri.com

- Log in to your account at bcbsri.com.
- Click **YOUR HSA** in the left-hand tool bar.
- Explore **HSA tools** and resources to help you:
 - View your account balance
 - Pay bills and submit claims
 - Calculate your savings
 - Learn more about using your HSA



Use the handy BlueSolutions Spending mobile app

- Download the app from the Apple® App Store or Google® Play.
- Open the app from your phone.
- Click on the “sign up” link and follow the prompts.



Please note: Standard mobile phone carrier and data usage charges apply. The downloading and use of the BlueSolutions Spending mobile app is subject to the terms and conditions of the app and the online stores from which it is downloaded.

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Use your funds for many common medical expenses

The IRS determines the list of qualified expenses and may modify that list at any time. Here are some of the most common and popular items.

Qualified:

Acupuncture
Ambulance
Birth control pills
Braces
Cancer treatment
Chemical dependency
Child birth/delivery
Chiropractor
Contact lenses
Deductibles
Dental treatment
Diagnostic tests
Durable medical equipment

Eyeglasses
Eye surgery
Hearing aids
Hospital services
Insulin treatment
Laboratory fees
Long-term care
Machine tests
Medicare Part D premiums
Mental health
Neurologist
Nursing home
Optometrist

Prescription drugs
Psychiatric care
Psychologist
Smoking cessation programs
Surgeon fees
Transplants
Transportation for healthcare
Vision expenses
X-ray fees

Non-qualified:

Cosmetic surgery
Deodorant
Electrolysis hair removal
Funeral expenses
Health club dues
Medicated shampoo and soap
Multivitamins
Non-prescription medicines, like cold and flu pills (unless prescribed by a doctor)
Soap
Teeth whiteners
Tissues
Toiletries

* This list is for illustrative purposes and is not a complete list of qualified medical expenses. All items on the list may be subject to further limitations. Consult your tax advisor for specific tax advice. Please see IRS Publication 502 for a more detailed listing of qualified medical expenses. This communication is not intended as legal or tax advice.

FIND ANSWERS TO FREQUENTLY ASKED QUESTIONS

What is a health savings account (HSA)?

An HSA is a tax-advantaged personal savings account that can be used to pay for medical, dental, vision, and other qualified medical expenses, now or later in life. To contribute to an HSA you must be enrolled in a qualified high-deductible health plan (HDHP). Your contributions are subject to annual IRS limits. The funds can be invested, making it a great addition to your retirement portfolio.

Am I eligible to participate?

In order to contribute, you must be enrolled in a qualified HDHP; cannot be covered under a secondary health insurance plan or be enrolled in Medicare; and you cannot be another person's dependent. There are no eligibility requirements to spend previously contributed HSA funds.

How much can I contribute to my HSA?

Contributions can be made by the eligible employee, their employer, or any other individual. Annual contributions from all sources may not exceed \$3,500 for individuals or \$7,100 for families in 2020. Individuals aged 55 and over may make an additional \$1,000 catch-up contribution.

When does an HSA become interest-bearing?

Many HSAs provide interest regardless of account balance, much like an interest-bearing checking or savings account. Savers can earn interest on contributions, and the interest accumulates tax-free. UMB Bank account holders can transfer HSA funds into an investment account once their HSA account balance reaches \$1000. (UMB Bank investment accounts are subject to an additional fee, are not FDIC insured, not bank guaranteed, and may lose value.)

Do I have to spend all my contributions by the end of the plan year?

No. Unlike a flexible spending account (FSA), your HSA funds roll over, year after year. The money is yours to keep and there is no deadline to use the funds.

Where can I learn more?

Go to **bcbsri.com** to log in to your account, and click **YOUR HSA** in the left-hand tool bar. Here you can find a personal dashboard showing your balances and claims history, and get access to pay bills. You also get a range of resources and tools to help you make the most of your HSA.

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**IT'S WHAT
WE LIVE FORSM**



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