



**Health Savings Account
(HSA)
+
High Deductible Health Plan
(HDHP)
=
Lower Costs & Better Benefits**

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HSA Basics

- Allows members to set aside & accumulate tax-free dollars to pay for qualified health care expenses. *(Contributions & earned interest to an HSA are taxable income in California)*
- Maximum Contributions (2010): \$3,050 for a single person. \$6,150 for a person with any number of dependents.
- Extreme flexibility. Allows for the creation of a far richer benefit plan than can be purchased, "off the shelf." Conversely, it is equally well suited for the budget minded.
- Combined with an HDHP (High Deductible Health Plan) it puts control of claims payment in the insured's hands. *How many times have you had a prescription medication denied or underpaid?*
- Members own their HSA accounts and control the funds.

Example

Typical Group Health Plan Annual Deductible for a Family: \$500
 *Approximate Annual Premium for a Family: **\$21,000**

HSA Compatible Health Plan Annual Deductible for a Family: \$6,000
 *Approximate Annual Premium for a Family: **\$12,200**

*Employee age 50.

\$21,000
 - **\$12,200**
Annual Premium Savings: \$ 8,800

In the example above, which is near universal for firms with fewer than 50 employees, using only part of the annual savings to fund your HSA account will effectively create a **\$0 Deductible Health Plan**