



ABC'S

of

HSA





# ABC's of HSA

**By City of Manchester  
Human Resources Department**



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## Introduction

**Health Savings Account (HSA)** – you’ve heard your co-workers talking about it in the muster room - you saw the flyers inviting you to the meeting to see how it could benefit you – heck you even heard your neighbor going on about its retirement benefits! Well, the time has come and you are ready to see what all the excitement is about, but you are unsure where to begin.

# HERE IS WHERE YOU BEGIN



## About This Booklet

This booklet is designed to explain the basics of HSAs in terms you can understand and in a manner that is not so long and drawn out, unlike other booklets that go on and on and on until you find yourself daydreaming about that sweet Corvette you’re going to get when you win the lottery (kind of like what just happened here in this sentence – too long – way too long – it won’t happen again!).

HSAs are governed by the IRS, and the IRS is not few of words, so of course there is much more involved with HSAs than could ever be covered in a booklet. To get the full IRS version of HSA rules and requirements, just Google “Publication 969”.

# What is an HSA?

An **HSA** is a Health Savings Account that is a lot like a checking account. You have a debit card and checks that you can use to pay for your expenses. However, the IRS sets the rules for what expenses you can pay for with your HSA funds. Unlike a checking account that you can use to pay for your groceries, gas and that pink hat you always wanted, with an HSA, you can only use the money to pay for what is called “Qualified Medical Expenses” (which we’ll cover later).

The HSA also has a VERY special feature that the IRS has allowed which NO OTHER account has; it’s called the...

## !!TRIPLE TAX ADVANTAGE!!



**Money Goes in TAX FREE!**  
**Money Grows TAX FREE!**  
**Money is taken out TAX FREE!**



**Cha-Ching!! Thank You Uncle Sam!!**

What this means is that you don’t pay taxes on the money you put into your HSA, the interest that the account earns is not taxed, and the money taken out to pay for those “Qualified Medical Expenses” is not taxed either! There is no other account that offers this much of a tax break!

**NOTE:** The HSA is a lot like the FSA (Flexible Spending Account) i.e. you can put money aside to pay for “Qualified Medical Expenses”.

You cannot enroll in both a full purpose FSA through your employer (or even through your spouse’s employer) and an HSA. The IRS considers it double dipping and that’s BAD!

## HSAs Must Have a Partner

Just as you can't open a can of tuna without a can opener, you can't open an HSA without a High Deductible Health Plan (HDHP). You must have a qualified High Deductible Health Plan (HDHP) in order to open up an HSA. Also you cannot have any other non-high deductible health plan such as an HMO, POS or Medicare plan.

Now the IRS has many rules and requirements as to what makes a qualified HDHP, but you don't need to worry about that, Anthem ensured that the City of Manchester's HDHP meets all the IRS qualifications. Great – one less thing for you to worry about.

## What is a High Deductible Health Plan?

A **High Deductible Health Plan (HDHP)** is a type of health insurance plan. You have available to you the HMO plan, the POS plan and the High Deductible Health Plan. The High Deductible Health Plan has a deductible, where the HMO and POS plans have co-pays. Also the High Deductible Health Plan costs less than the HMO and the POS plans.

OK, **deductible** – there's that word again! It's even in the name of the plan. What does it mean?

**A deductible is the amount you owe for covered health care services before your plan begins to pay.**

With the HMO and the POS plans, if you visit your doctor for that pinkie toe that you stubbed on the coffee table last night, you pay a \$20 co-pay, and if he prescribes a pain killer for that toe, you go to the pharmacy and you again pay the co-pay for the prescription, either \$10, \$30 or \$50. (BTW - you'll definitely save if you go generic).

With the High Deductible Health Plan, you don't pay co-pays; you pay the full cost of the service (as contracted with Anthem). That is, you will pay the full cost of the doctor's visit and the full cost of the prescription until you reach your "deductible". So let's say that you are under the single HDHP which comes with a \$2,000 deductible. If the cost of the doctor's visit is \$110 and the cost of the prescription is \$90, then you will pay the

full \$200 for that smashed toe. The \$200 will go toward your deductible, and you will now have \$1,800 left to pay out before the plan will pay at 100%. (Don't pay a penny though until you read the section "How to Pay With Your HSA".)

**NOTE:** Preventive care is paid for at 100%. Yep, that's right; you cost less if you're not broken! Even if you have not reached your deductible, you don't have to pay for preventive care services which include; annual physicals, mammograms, colonoscopies, routine prenatal and well-child care, etc. (for a complete listing of preventive care services, go to [www.manchesternh.gov/benefits](http://www.manchesternh.gov/benefits)).

## SELF-ONLY COVERAGE

If it is just you enrolled in the High Deductible Health Plan you are considered a "single membership" and your deductible is \$2,000.

So, with a single plan, each prescription you buy, each doctor's visit you pay, will go toward meeting your \$2,000 deductible (the amount you owe before the plan begins to pay).

## FAMILY COVERAGE

If it is you and one or more of your family members enrolled in the High Deductible Health Plan, you are considered a "family membership" and your deductible is \$4,000.

With a family plan, everyone's medical expenses go toward meeting the family deductible. For example, the cost of the doctor's visit for your wife's twisted ankle from her Zumba class and the urgent care cost of your son's busted lip from his mountain biking accident all count towards the family deductible of \$4,000.

**NOTE:** Your deductible will reset at the start of each plan year. So on July 1st of every year, your deductible will reset back to \$2,000 if you are under a single plan, and back to \$4,000 if you are under a family plan.

# WAIT!

Don't get scared off by the deductible amounts! Read on and when you get to the "City Contributions" section, you'll see how the City takes a big ole bite out of that deductible pie! (This is one of those times when you **DO** want the other guy to get the bigger piece!)

## Recap and Review

OK, now time to recap and ensure you have a good grasp of the following terms; Deductible, Health Savings Account (HSA) and High Deductible Health Plan (HDHP).

Take a few minutes and think about those terms and go back and re-read if you need to; we'll wait for you.....

## Are You Eligible for an HSA?

Alright, let's move on to the next step. Are you eligible to open up a Health Savings Account? The IRS will not stop you from enrolling in a High Deductible Health Plan; it's your business what health plan you want, but they can, and will, tell you whether or not you can open an HSA. Don't worry though; it's not a long list (Uncle Sam must have been tired that day).

## Qualifying for an HSA

- ✓ You must be enrolled in a High Deductible Health Plan and have no other non-HDHP insurance.
- ✓ You must not be enrolled in Medicare.
- ✓ You cannot be claimed as a dependent on someone else's tax return (spouses are not considered dependents).
- ✓ You cannot be enrolled in a Flexible Spending Account (unless it is a limited FSA which the City does not offer).

How do you enroll in a High Deductible Health Plan? Well, that's easy! If you're a new employee, you can enroll in the HDHP within 30 days of your hire date and if you are a current employee, you can enroll at any Open Enrollment. Look out for that Open Enrollment flyer that goes out each May so you don't miss your opportunity!

## Opening an HSA

So when open enrollment time comes around, or if you are a brand spanking new employee (welcome new employee!), the first thing you want to do is get a health enrollment/change form from your pay clerk. Better yet, download the form by going to the HR web site [www.manchesternh.gov/benefits](http://www.manchesternh.gov/benefits). On that form, fill out your personal information and select the Regional High Deductible Health Plan. Bring the form to your pay clerk or the person handling benefits in your department. They in turn, will forward it to Benefits in HR.

SWEET ...you are now half way there to being the proud owner of your very own HSA! Not too hard so far right?

OK, once Benefits in HR receives your health enrollment/change form, they will enroll you in the Anthem High Deductible Health Plan. Once enrolled, you will receive a welcome kit. The custodian or managing company of your HSA may require you to provide a signature either electronically or on paper to open the account, but once you do that, you're golden!

That's it! Seriously, how hard was that; and you were worried.

Now read on to learn the ins and outs of the HSAs, such as how to pay for your medical expenses, managing your HSA, how to contribute into your HSA and my absolute favorite part, how the City contributes into your HSA. Yeah, you heard me right; the City will put money into your HSA!

## Contributing into Your HSA

Things are now getting exciting; it's time to talk about putting money into your HSA.

Do you know who can put money into your HSA? **ANYONE** can. You can, your spouse can, the City can, and even Aunt Matilda can (and I hope she does). Oh, and to sweeten the deal, you get the tax benefits for all the contributions, no matter who puts in the money.

### City Contributions

If you were to Google HSAs and contributions, you would often see “if you are lucky, your employer will also contribute into your HSA”.

### GUESS WHAT?

### YOU ARE LUCKY!

The City **DOES** contribute, and they contribute generously!

OK, here is the nitty-gritty of it:

If you are enrolled in a single High Deductible Health Plan, the deductible is \$2,000 and the City will put \$1,500 into your HSA, which you can use toward your deductible. That means you're only responsible for the \$500 difference (as long as you stay in-network).

**NOTE:** In Network is a provider or health care facility within NH, VT, CT, RI, ME and MA that is contracted with Anthem BlueCross BlueShield.

If you are enrolled in a family High Deductible Health Plan, the deductible is \$4,000 and the City will put \$3,000 into your HSA, which you can use toward your deductible. That means you're only responsible for the \$1,000 difference (as long as you stay in-network).

Way to take a bite out of that deductible pie, City of Manchester!

\$500 or \$1,000 is the worst case scenario. That is the most you will ever pay in any given plan year, again, as long as you stay in-network.

Let's look at it from a different angle. Let's say you are in a single HDHP and you have a good year. For that year, you only have a few medical expenses, like the ones below:

- ✓ Annual physical - Cost \$0 (preventative - no charge)
- ✓ 2 doctor's visit of \$100 each (poison ivy in June and migraine in October)
- ✓ Poison ivy medicine for \$40 and migraine medicine for \$60
- ✓ 12 months worth of thyroid pills for \$400

So the total you paid out of your HSA for those medical expenses for the year was \$700. Seems like a lot right? But wait...remember how the City put in \$1,500 into your HSA? Well, you only spent \$700 of that \$1,500, which leaves \$800, awesome! What's more, the remainder of the money that is in your HSA will roll over to the next year. Now you're ahead of the game for next year too! If you stay in the HDHP the following year, you will again get the City contribution. Do this for a few years and you can really have a healthy balance in your account that would more than cover your deductible! Remember, it's your account, the City can't take it.

**NOTE:** City contribution for some unions may differ; see your union contract for details.

For new employees, the deductibles remain at \$2,000 for a single HDHP and \$4,000 for a family HDHP, but the amount the City contributes is prorated.

## Additional Contributions

The best way to put extra money into your HSA is through payroll deductions. This way, the money comes right out of your paycheck and into your HSA tax free.

A **payroll deduction** is money taken out of your pay check for a specific purpose.

### Here is an example:

Your salary is \$30,000. You decide to have \$25 taken out of your paycheck each week and sent directly into your HSA. There are 52 weeks in a year, so the total for the year is  $\$25 \times 52 \text{ weeks} = \$1,300$  that went into your HSA. Even more exciting, that's \$1,300 that will not be taxed. At the end of the year, when you do your tax return, instead of paying taxes on your full salary of \$30,000, you'll be paying taxes on \$28,700 (full salary of \$30,000 less the \$1,300 that went into your HSA).

This is the first tax advantage of the HSA mentioned earlier, **“Money Goes in Tax Free”!**

In order to do payroll deductions all you have to do is fill out the “Payroll Deduction Authorization Form for Additional Contributions to HSA Account” (wow, what a long name for a form, who would do that?). You can get this form from your pay clerk or on the HR web site. What's nice is that you make the choice of how much you want taken out of your paycheck; and you decide how many pay dates to make the deductions. You can change your mind every week if you want to (but that might stress out your HR Benefits person).

## Other Ways to Contribute

Contributions through your paycheck are best, but you can also make contributions into your HSA by writing a personal check. Contributing this way means you will be using money that has already been taxed, so you will need to deduct it at the end of the year when you do your tax return.

Aunt Matilda can also send a check... or two... or three into your HSA. Guess what, those checks that Auntie put into your HSA, **YOU** get to deduct from your taxes!

### **The official way the IRS explains this is:**

“You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you do not itemize your deductions on Form 1040”.

Who knew the IRS could be so generous?

## Contribution Maximums

This part is super important so make sure you're wide awake and alert. If you were up late last night watching The Walking Dead, then go take a quick nap and come back (but not on work time please!).

As mentioned before, and will be mentioned again, the HSA is governed by the IRS. They have limits on how much money you can put into your HSA each **tax year** (which is January to December for most taxpayers). However, there is NO limit on how much you can have in your account, and how much you can roll over from year to year.

The maximum contribution limits can be found on the “Payroll Deduction Authorization Form for Additional Contributions to HSA Account” or you can Google “HSA contribution limits”.

**NOTE:** If you are age 55 or older at the end of the tax year, you can contribute an additional \$1,000 above the maximum limits. See, age does have its benefits!

Everyone's contribution into your HSA counts toward the limit. It is up to you to keep an eye on how much you, the City and Aunt Matilda put into your HSA every calendar year. If you go over the limit, and don't remove the excess by April 15 of the next year, you will pay income tax **AND** a penalty on the excess contributions. If you do find you have over contributed in a given year, contact the manager or custodian of your HSA for instructions on how to remove the excess contributions before the April 15th deadline.

Words of wisdom, be pro-active and make sure you know each year what the contribution limits are for your plan, and how much you and everyone else (including the City) are contributing.

## Contributions During Mid-Year Changes

If at any time during the calendar year, you enrolled in the High Deductible Health Plan for the very first time, provided you are still on the HDHP on December 1st of that same year, and stay on the HDHP until December 31st of the following year, the IRS will allow you to contribute the maximum amount. The IRS calls this "the last-month rule". If you don't meet these conditions, the excess over the pro-rated contribution will be included in income and subject to an additional tax.

## Pro-Rated Contributions

If you end your coverage under the High Deductible Health Plan during the calendar year, you cannot contribute the maximum amount. You can only contribute based on the number of months you were covered under the HDHP. If you were only covered for 5 months, the maximum you could contribute that year would be 5/12ths of the maximum

contribution allowed. For example, let's say you've been under the HDHP for several years; then on May 31st you leave the City and enroll in an HMO through your new job. For the calendar year, you would have been on the HDHP for 5 months, January through May. Therefore, you would only be allowed to contribute 5/12ths of the annual maximum. If you enroll in Medicare during the year, there are special rules regarding allowable contributions. Contact your financial adviser or your local Social Security office for more information.

It would take an additional booklet to explain all there is to know about contribution maximums, limits and their tax consequences, so to get all the details of this fascinating topic Google "Publication 969".

## Ending Contributions

There are certain situations that you are no longer allowed to contribute into your HSA. The HSA and the money in it belong to you. You will be able to continue to use the money for qualified medical expenses, but you won't be able to put any more money into the HSA if you fall into any of the following categories:

- ✓ You are no longer covered under a High Deductible Health Plan. (For example, during open enrollment you change from a HDHP to an HMO).
- ✓ You turn 65 and are receiving Medicare Part A and/or Part B.
- ✓ You are covered under a Flexible Savings Account that is not a limited purpose FSA.
- ✓ You received Veterans Benefits any time during the previous three months; however, effective 1/1/16, veterans enrolled in a HDHP (with no other disqualifying coverage) and who have a **service connected disability** are allowed to make or receive HSA contributions regardless of when they received VA benefits.

## Making the Most of Your HSA

You have control of your Health Savings Account, it is your account and the funds in that account are **YOURS**, not the banks, not Aunt Matilda's and not the City's.

You can choose to keep just enough in your HSA to pay for your qualified medical expenses, or you can choose to put the maximum in each year and let the funds, and the interest you earn grow and grow. There is no "use it or lose it" rule with an HSA, so the money in your account will roll over from year to year, just like your savings account.

## Investing Within Your HSA

With the uncertainty of health care costs, now is the perfect time to start a savings plan for your health, and the HSA is the perfect tool to help you do that.

Your HSA earns interest and who doesn't like interest? It's free money. But did you know when your HSA balance gets to \$1,000 or more, you can begin investing in select mutual funds offered within the HSA? Investing within your HSA, gives you the benefit of tax free interest and earnings! (Just because you're not a business tycoon like Warren Buffett, doesn't mean you should shy away from this investment opportunity.)

Growing your HSA and investing within your HSA, provides a second tax advantage of the HSA mentioned earlier, **"Money Grows Tax Free"!**

# HSA and Retirement Planning

An HSA can play an important role in your retirement planning. It's a great way to start building your future health care nest egg. Here are a few reasons HSAs can be a great retirement tool:

- ✓ The Triple Tax Advantage - money goes in tax free, grows tax free and can be taken out tax free for qualified medical expenses.
- ✓ Once you turn 65, you can use the money in your HSA to pay for your Medicare Parts A, B, and D premiums, deductibles, co-pays, and co-insurances.
- ✓ Once you turn 65, you can spend the money in your HSA any way you want. There is no additional tax if you use the money for non-qualified medical expenses, you'll just have to pay ordinary income taxes. If you want to use the money for a trip to Disneyland - just say "Mickey Mouse here I come", cause you can do that, the IRS says so!
- ✓ You can use your HSA funds to pay for Long Term Care insurance (there are IRS limits on this, so check with "Publication 969" for details).

# Using Your HSA Funds

The third tax advantage of the HSA as mentioned earlier is **“Money is Taken out Tax Free”** when you use it to pay for “Qualified Medical Expenses”.

## Qualified Medical Expenses

A **qualified medical expense**, according to the IRS is “money you pay primarily to prevent or treat a physical or mental illness”.

Below are a few examples of qualified medical expenses:

- ✓ Doctor’s office visits, lab fees, hospital and urgent care facilities
- ✓ Prescriptions
- ✓ Physical therapy
- ✓ Chiropractor
- ✓ Crutches, wheelchairs, walkers, canes, etc.
- ✓ Psychiatric care
- ✓ Dental treatment such as dental implants and crowns (but dental expenses do not go toward your medical deductible - remember that!)
- ✓ Vision expenses, such as glasses, contacts or Lasik surgery (vision expenses do not go toward your medical deductible either - remember that too!)

The list goes on and on, so Google “Publication 502” to get the official IRS list of qualified medical expense.

Be careful with “over the counter” medicines. Although you can use your HSA funds to buy bandages and first aid supplies without a prescription, you can’t buy cough syrup, allergy medicines and many other over the counter medicines without a doctor’s prescription.

**NOTE:** If you are under the age of 65, and take the money out of your HSA for anything other than qualified medical expenses (like a big screen TV or a cool ATV for your son), you will have to pay income taxes **AND** an additional 20% tax on the amount you took out for those non-qualified medical expenses. “Exceptions: There is no additional tax on distributions made after the date you are disabled, reach age 65, or die”. (Seriously, this is real – it’s a direct quote from IRS Pub. 969. The IRS will not charge the additional tax if you buy a big screen TV and then die that same year - good to know.) Those are the only times where you won’t be subject to the additional tax, you’ll just have to pay the income tax on the money taken out.

# Whose Expenses Can You Pay for From Your HSA?

According to the IRS - (yes, as you noticed, they are in charge here), you can pay for qualified medical expenses for yourself, your spouse and **any dependent you claim on your tax return**.

Wait a minute... back up the bus... something doesn't add up here! Health Care Reform allows a child to remain on your health insurance until they reach the age of 26, but HSA funds cannot be used to pay for his/her medical expenses unless they are claimed as a dependent on your tax return? Yep my friend, sorry to say, that is correct. What is up with that IRS? Well, what is up with that is the IRS has not changed the HSA requirement to keep up with Health Care Reform (you should call them and ask them to fix this).

If this is the case with your child, your child can open up his/her own HSA as long as they are covered under a High Deductible Health Plan (but of course, the City does not contribute into that account).

**NOTE:** If you can claim your child as a dependent on your tax return, you can pay for their qualified medical expenses with your HSA even if they are not covered under your High Deductible Health Plan.

## Health Insurance Premiums

Per IRS Publication 969 “Distributions from an HSA”, you cannot use money from your HSA to pay for health insurance premiums unless the premiums are for:

- √ Long-term care insurance.
- √ Health care continuation coverage (such as coverage under Cobra).
- √ Health care coverage while receiving unemployment compensation under federal or state law.
- √ Medicare and other health coverage if you are 65 or older (other than premiums for a Medicare supplemental policy, such as Medigap).

## How to Pay With Your HSA

When you go to the doctor's office, hospital, urgent care facility, lab, physical therapist, chiropractor or other medical provider, always give them your Anthem health insurance card, and never pay the full cost of the service right then and there. Let them send you a bill, and then you can pay. Why should you do that?

There are two important reasons why you should do that:

- ✓ The doctor's office, the hospital, etc. all have contracts with Anthem, agreeing to certain charges for their services, and not a penny more. For example, your doctor might charge \$250 for an office visit, but Anthem bargained a deal with the doctor, who agreed not to charge more than \$150 for Anthem's members. So, if you don't show your Anthem card, the doctor won't know you're with Anthem and could charge you the full \$250, rather than the \$150.
- ✓ If you don't show your Anthem Card and pay the full cost of the service right then and there, the doctor's office, hospital, etc. will not bill Anthem. If they don't bill Anthem, the charge won't get applied to your deductible. You most definitely want that applied to your deductible!

**NOTE:** Prescriptions are a little different. When you pick up your prescriptions always show your Anthem card, but you can go ahead and pay the full cost of the prescription. The pharmacies are up to date with technology and are tied directly to the insurance companies. The pharmacies know the contracted prescription cost, and it is immediately applied toward your deductible. It's all done in computer warp speed!

# Methods of Payment

There are several ways you can pay for your qualified medical expenses, such as using a debit card, checks or on line bill paying.

**Debit card** - Your HSA will come with a debit card which you can use to pay for your qualified medical expenses. When at the pharmacy, optometrist or dental office, you can swipe your debit card right then and there to pay for the services. For medical services, wait until you get the bill from the provider and make sure they have billed Anthem. Then, just put your debit card number on the payment stub and send it in for payment. Easy as that!

**Checks** - Just like you can write a check from your personal account to pay for those M & M's at Wal-Mart, you can write a check from your HSA to pay for your medical, dental and vision expenses. For the medical services however, wait until you get the bill before you pay. Then you can include your check with the return stub. Checks are optional, so if you prefer checks, you will need to request them when you open your HSA.

**On-line bill paying** - Your HSA does have on-line bill paying capabilities, which means you can electronically pay for your qualified medical expenses from your account. You can even pay yourself! A great feature of an HSA is if you pay for a qualifying expense out of your own pocket rather than using the money you have in your HSA, you can "pay yourself back" for those expenses at any time in the future as long as you still have the receipt!

**NOTE:** If you haven't already done it, it makes good sense to go to Anthem.com and create a username and password. This will enable you to see all of your medical claims. For each medical service you have, Anthem will have an Explanation of Benefits (EOB). This EOB will show you what the provider charged, what Anthem approved (their contracted rate with the provider), what Anthem paid, and what you should pay.

## Keeping Receipts

For all the qualified medical expenses paid from your HSA and for those paid out of pocket, **keep the receipts.**

It is important that you keep your receipts in case you ever get audited by the IRS and need to prove that you spent the money from your HSA on qualified medical expenses. Also, if you paid for an expense out of pocket after you opened your HSA, as long as you still have the receipt, you can pay yourself back for that expense, even if it's 10 years later!

So, how should you do this? Well, you can keep all your receipts in a shoe box in your closet. Though this is better than no receipts at all, there are better ways to organize your HSA records. The on-line features offered by Anthem and the custodian or managing company of your HSA can be a tremendous help here.

Using the on-line features offered you can:

- ✓ Upload your receipts electronically to your on-line HSA. This is a really cool feature for several reasons. Your receipts will never fade, you'll never have to search for them, and it's the perfect place for those expenses you paid for out of pocket. Why? Well let me tell you why. Let's say a year later, you decide to pay yourself back for some of the expenses you paid out of pocket; well if you uploaded those receipts, all your future self would have to do is select the receipt, put your name as "payee" and just like that, your future self just paid you back (thanks future self - you rock).
- ✓ View and print your monthly HSA statement. The statement will list all the expenses you paid for in that month.
- ✓ View and print your Explanation of Benefits (EOB's). They are the perfect backup. Just sign in to your Anthem.com account and print your EOB's.

## Tips to Preserve Your HSA

The money in your HSA is **ALL YOURS** and no doubt you want to protect and preserve it. Below are some tips to help you do just that.

### **Choose Generic over Name Brand Drugs:**

Generic drugs are a good option as compared to brand name drugs. They just don't have the high marketing and advertising costs added to them and therefore cost significantly less.

### **View Web Sites Such as GoodRX.com:**

This is a great website to compare prices on your prescription. Just put in the name of your medication and click "find the lowest price". You'll get a listing of pharmacies and the price for that medication in your area.

### **Enroll in Prescription Savings Clubs:**

Walgreens, CVS, Hannaford's, Wal-Mart, Target and many other pharmacies and supermarkets have prescription savings clubs you can join and receive discounts on many medications.

### **Go to an Urgent Care Facility or a Walk-in Clinic Rather than Emergency Room:**

For non-life threatening injuries and illnesses like the flu, rashes, cuts, etc., going to an urgent care facility or walk-in clinic rather than the emergency room will save you hundreds of dollars.

Word of advice: When your husband smashes his finger between the rim and the brake of the truck while trying to spin the wheel by hand, that is **NOT** the time to go online to find out where the closest urgent care facility is located. It's best to figure that out before the emergency happens. Just print the addresses and hours of operation of a couple of the facilities closest to you and place it on your refrigerator (or in your phone), so you'll be ready to go the next time your spouse does something goofy and hurts themselves.

**Use Anthem's LiveHealth Online Program:**

With LiveHealth Online, you can visit a doctor in the comfort of your own home 24 hours a day/7 days a week for only \$49. That is significantly less than an office visit. Go to [www.livehealthonline.com](http://www.livehealthonline.com) to learn more about Anthem's LiveHealth Online.

**Use Anthem's 24/7 NurseLine:**

Call 1-800-544-1901 to talk with a registered nurse about your health concerns. A nurse is available to you 24 hours a day/7 days a week to answer your health questions, or help you choose the right place for care if your doctor isn't available and you are not sure what to do.

**Use the Vitals SmartShopper Program:**

Call Vitals SmartShopper at 1-800-824-9127 or go to their website [www.vitalssmartshopper.com](http://www.vitalssmartshopper.com) and shop at your leisure but in advance to having a procedure. Put this information in your phone right now! When you have a medical procedure or need to get lab work done, just call Vitals SmartShopper or go online and tell them where you are scheduled to go. They will tell you where the low cost providers are, and if you go to one of the low cost providers suggested by Vitals SmartShopper, you will get a check ranging from \$25 to \$500. Also, if you are on a High Deductible Health Plan (HDHP), utilizing Vitals Smartshopper can help reduce your out of pocket expenses.

**Visit the web sites listed below for more information on your High Deductible Health Plan and Health Savings Account.**

- [www.irs.gov/pub/irs-pdf/p969.pdf](http://www.irs.gov/pub/irs-pdf/p969.pdf)
- [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf)
- [www.manchesternh.gov/benefits](http://www.manchesternh.gov/benefits)
- [www.anthem.com](http://www.anthem.com)

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**The City of Manchester hopes this booklet will help you better understand High Deductible Health Plans and Health Savings Accounts. It is important to us that you get the best information to help you make the best healthcare decisions for you and your family.**

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# ABC's of HSA

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