



# **City of Worcester**

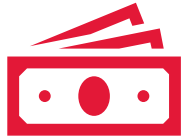
# **HDHP Plan Updates**

# **07.01.2024**

# 2024 Plan Highlights



Increased deductible to \$2000/\$4000 to comply with updated 2024 IRS minimum deductible requirements.



Increased employer contribution from the City of Worcester!

- \$1,000 Individual Coverage
- \$2,000 Family Coverage



Increased contribution limits for 2024:

- \$4,150 Individual Coverage
- \$8,300 Family Coverage

Members 55+ can contribute an extra \$1,000

Employer contributions are added in as part of your total yearly contribution limit.

# Plan Overview

## HSA Eligible HMO



In-network coverage only



You must select a primary care physician (PCP)



Your PCP coordinates your overall care, including referral to specialist when needed



When traveling outside the service area, you're covered for emergencies and unforeseen care



Eligible to open a Health Savings Account (HSA) through [Health Equity](#)

	HMO: In-Network Only
<b>Annual Deductible</b>	
Individual	\$2,000
Family	\$4,000
<b>Annual Out-of-Pocket Maximum</b>	
Individual	\$5,000
Family	\$10,000
Annual Physical (preventive)	\$0, covered in full
Office Visit	Deductible, then \$20 copay per visit
Specialist Visit	Deductible, then \$40 copay per visit
Diagnostic X-Ray/Lab Tests	Deductible, then no charge
Advanced Radiology (MIR, PET, CT)	Physician's office or nonhospital facility: Deductible, then \$50 copay Hospital or hospital affiliated facility: Deductible, then \$100 copay
Inpatient Hospital (including maternity)	Deductible, then \$275 copay per admission
Outpatient Hospital	Deductible, then \$250 copay per visit
Inpatient Mental Health	Deductible, then no charge
Outpatient Mental Health	Deductible, then \$20 copay per visit
Emergency Room Visit (waived if admitted)	Deductible, then \$150 copay per visit
Physical and Occupational Therapy (60 visits combined per plan year)	Deductible, then \$25 copay per visit

# **Harness the power of a Health Savings Account**

# Invest in your healthcare

HSA's are tax-advantaged accounts that let you put aside money for future healthcare costs while saving on taxes



# Get the 'triple-tax advantage' only with HSA

- ✓ Tax-free contributions
- ✓ Tax-free account growth
- ✓ Tax-free spending for qualified medical expenses

HSA's are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.





# Tax-free contributions

**\$50**   
earned income



  
**HSA**  
**Not taxed**  
Keep all your money  
**\$50**  
Spending power

**Checking Account**  
**Taxed**  
\$10 to Uncle Sam  
**\$40**  
Spending power

# Save \$1,600+

Families that contribute the max to their HSA can save more than \$1,600 on qualified medical expenses.

$$\begin{array}{r} \$8,300 \\ \times \quad 20\% \\ \hline \mathbf{\$1,660} \end{array}$$

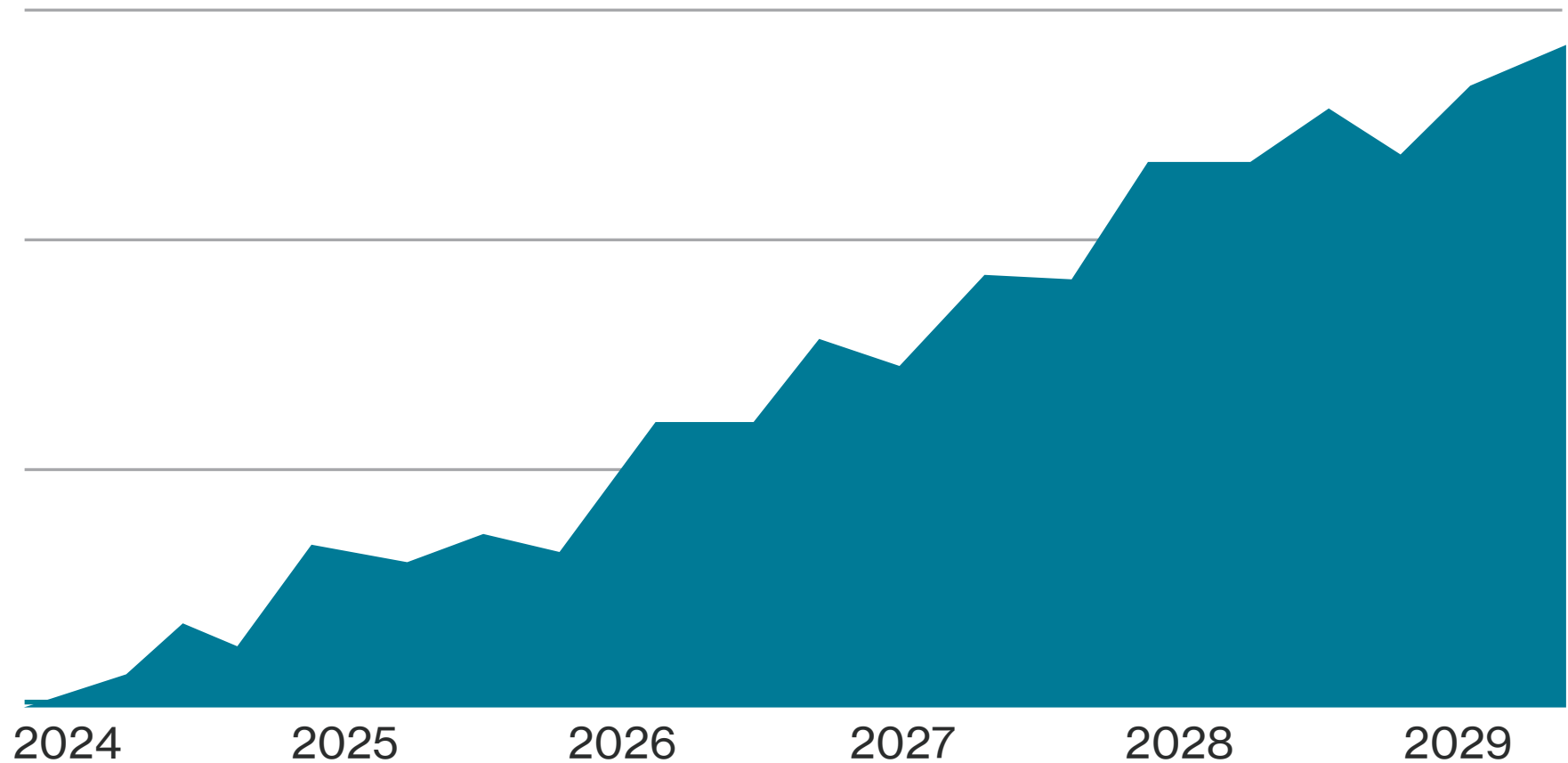
The example used is for illustrative purposes only; actual savings may vary. The figure is based on average tax rate of 20%, including state, federal and FICA taxes. Savings based on contributing the maximum family amount of \$8,300.





# Your HSA funds roll over year after year

— HSA balance



The examples used are for illustrative purposes only.

# Tax-free spending on qualified medical expenses



## Medical care

- Doctor visits and copays
- Hospital services
- Telehealth



## Vision

- Eye exams
- Prescription glasses/contacts
- LASIK surgery



## Dental

- Teeth cleaning
- Dental reconstruction
- Orthodontia



## Personal health

- Over-the-counter pain relievers
- Period care products
- Crutches



## Alternative care

- Chiropractic care
- Acupuncture
- Massage\*



## Mental health

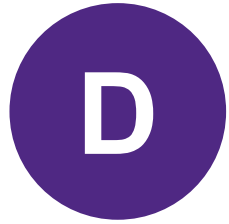
- Therapy sessions\*
- Prescriptions
- Treatment for substance abuse disorder

\*May require letter of medical necessity



# Who can you spend your HSA funds on?

- A. Yourself
- B. Your spouse
- C. Your eligible tax dependents
- D. All of the above



## All of the above

You can use your HSA to cover qualified medical expenses for you and your eligible tax dependents, even if they are not eligible for an HSA themselves.



# Sign up for a high-deductible health plan (HDHP) to access an HSA

Lower premiums



Deductible

Out-of-pocket max

Coinsurance

You pay 100%

You pay a fixed amount

Insurance pays 100%

Preventive care

Insurance pays 100%





# The more you contribute the more you save

Coverage	Contribution limit
Individual	<b>\$4,150</b>
Family	<b>\$8,300</b>

Employer contributions*
<b>\$1,000</b>
<b>\$2,000</b>

Members 55+ can contribute an extra \$1000.

\*Employer contributions will be included in your total maximum contribution limit.

# If you are on an individual HSA

Because your  
employer contributes

**\$1,000**

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You will need  
to contribute

**\$3,150**

---

in order to reach the  
maximum contribution limit.



# If you are on a family HSA

Because your  
employer contributes

**\$2,000**

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You will need  
to contribute

**\$6,300**

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in order to reach the  
maximum contribution limit.



# If you love a 401(k), meet your new best friend

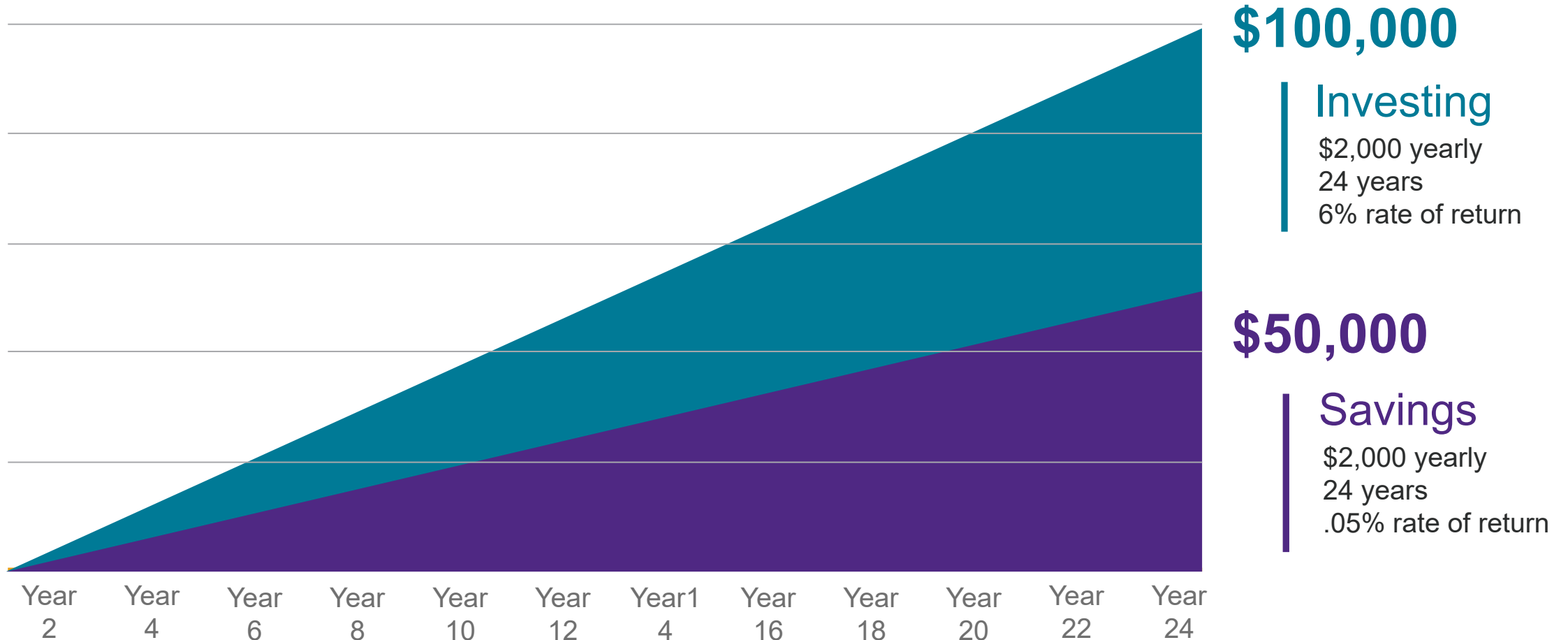
## 401(k)

## HSA

FICA taxed contributions	100% tax-deductible contributions
Tax-free earnings	Tax-free earnings
Medical expenses taxed as ordinary income	Tax-free distributions for medical expenses
Regular expenses taxed as ordinary income	Regular expenses taxed as ordinary income
Minimum distributions required	No minimum distributions

Plus, you can designate an HSA beneficiary and give the gift of health savings.

# Investing keeps your future in focus



The example used is for illustrative purposes only. | Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.



# Meet Camilla

## Individual Plan

Contribution Limit \$4,150

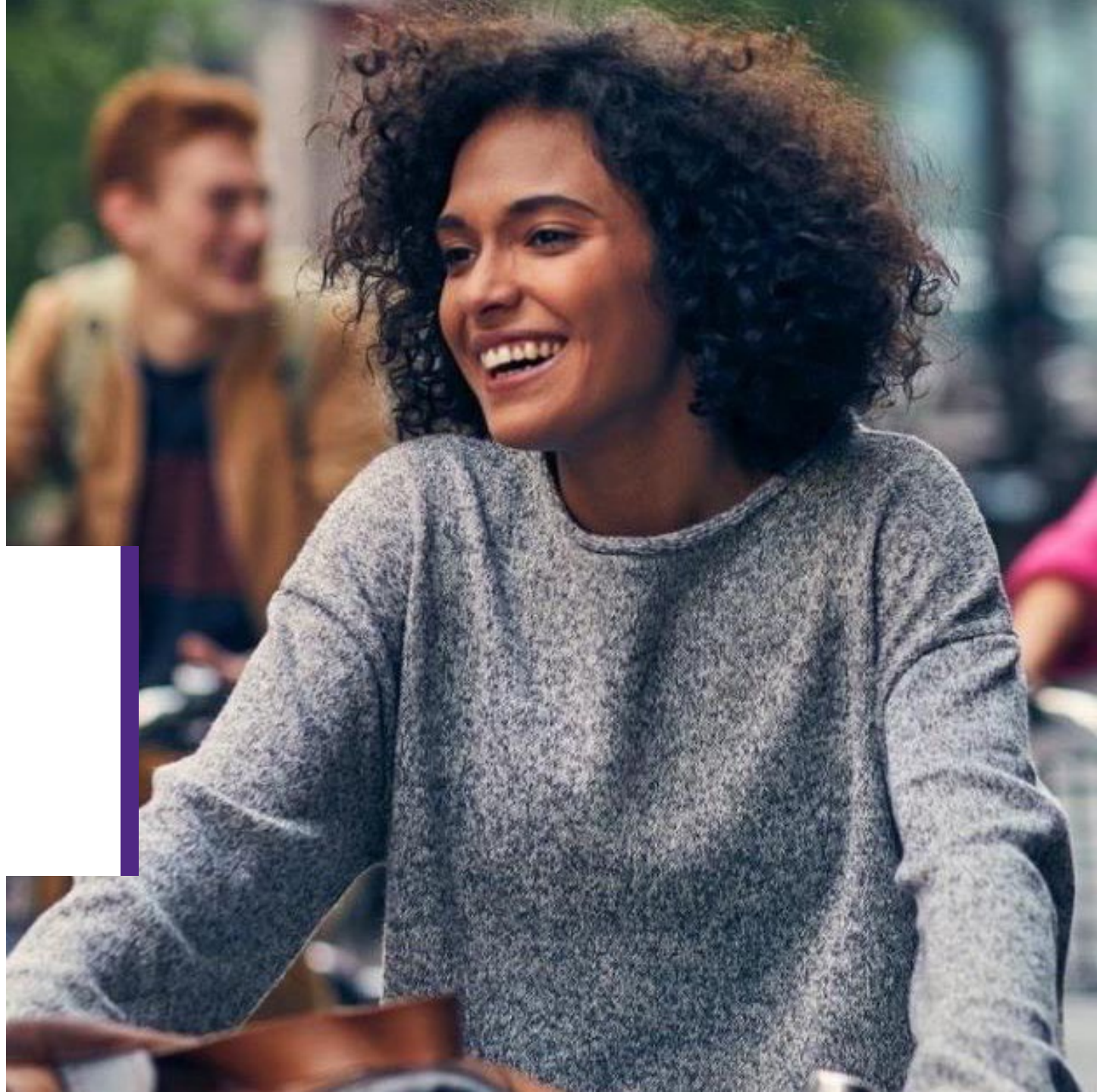
She decides to use the money she saves on premiums to fund an HSA.

Camilla contributes

**\$2,400**

Her annual tax savings<sup>1</sup>

**\$480**



<sup>1</sup>Assumes Camilla pays 20% of her income in federal, State and social security taxes. Actual tax savings may vary and will depend on your HSA contributions, applicable State tax rates and your personal tax situation. Please consult your tax adviser for details. | The example used is for illustrative purposes only.

# Camilla's HSA savings

After months of contributing to her HSA, she received a \$700 bill, and is interested to see how much she saved.

## Without an HSA

- + \$1,000 from paycheck
- \$200 to taxes
- \$700 hospital bill

---

**\$100**

leftover

## With her HSA

- + \$1,000 from paycheck
- \$0 to taxes
- \$700 hospital bill

---

**\$300**

left to rollover

<sup>1</sup>Assumes Camilla pays 20% of her income in federal, State and social security taxes. Actual tax savings will depend on your HSA contributions, applicable State tax rates and your personal tax situation. Please consult your tax adviser for details. The example used is for illustrative purposes only.





# Meet Evan & Mia

## Family Plan

Contribution Limit \$8,300

They decide to maximize their tax savings and start building their health savings.

Evan & Mia contribute

**\$8,300**

Their annual tax savings<sup>1</sup>

**\$1,660**

<sup>1</sup>Assumes Mia & Evan pay 20% of their income in federal, State and social security taxes. Actual tax savings will depend on your HSA contributions, applicable State tax rates and your personal tax situation. Please consult your tax adviser for details. The example used is for illustrative purposes only.



# Evan & Mia's HSA savings

After \$5,000 in healthcare expenses for the year, they're curious how much they can rollover and invest<sup>1</sup> the following year.

## Without an HSA

- + \$8,300 from paycheck
- \$1,660 to taxes
- \$5,000 in expenses

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**\$1,640**

leftover

## With her HSA

- + \$8,300 from paycheck
- \$0 to taxes
- \$5,000 in expenses

---

**\$3,300**

left to rollover

<sup>1</sup>Minimum account thresholds may apply before being able to invest. Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.

\*Assumes they pay 20% of their income in federal, State and social security taxes. Actual tax savings will depend on your HSA contributions, applicable State tax rates and your personal tax situation. Please consult your tax adviser for details.





# How do I get an HSA?

Sign up for a **HDHP** and meet these qualifications:

- ✓ No access to a healthcare FSA
- ✓ Not claimed as a dependent on anyone's tax return
- ✓ Not enrolled in Medicare







# Which benefits make you likely to enroll in a HDHP + HSA?

- A. Pay lower healthcare insurance premiums
- B. Create a healthcare emergency safety net
- C. Invest your HSA in low-cost mutual funds
- D. Money in your HSA rolls over each year, every year



# There's no wrong answer

HSA's let you keep your money and own your healthcare.



# HealthEquity makes saving easy

- ✓ 24/7 Member Services via call or chat
- ✓ On-the-go access with our mobile app<sup>1</sup>
- ✓ Fast, hassle-free payment and reimbursement
- ✓ Simple, automated investment desktop

<sup>1</sup>Accounts must be activated via the HealthEquity website in order to use the mobile app.



# Get started today!

## 1

### Sign up

- ✓ Enrollment dates:  
<<start date>> -  
<<end date>>
- ✓ Enroll here:  
<<add custom URL>>
- ✓ Choose a HDHP:  
<<health plan>>  
<<health plan>>

## 2

### Contribute

- ✓ Pre-tax  
through payroll
- ✓ Amount withheld  
from each  
paycheck is  
typically equal

## 3

### Access account

- ✓ Register and login at  
[www.HealthEquity.com/login](http://www.HealthEquity.com/login)
- ✓ Purchase qualified medical  
expenses
- ✓ Remember to save  
all receipts

HealthEquity®

# Questions?

We're here for you 24/7

866.735.8195 | [HealthEquity.com/Learn](https://HealthEquity.com/Learn)

