






 MASSACHUSETTS
<div style="text-align: right;">             Building Health Savings         </div> <div style="text-align: center; margin-top: 100px;"> <h2>Health Savings Account (HSA) Health Equity</h2> </div> <div style="text-align: right; margin-top: 100px;">1</div>	
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<h3>Health Equity – BCBSMA Partnership</h3>	 MASSACHUSETTS
<div style="text-align: right;">             Building Health Savings         </div> <p><b>BCBSMA for:</b></p> <ul style="list-style-type: none"> <li>- Medical Plan(s)</li> </ul> <p><b>Health Equity (HEQ) for:</b></p> <ul style="list-style-type: none"> <li>- Health Savings Account (HSA)</li> </ul> <p><b>BCBSMA – Health Equity Partnership Advantages</b></p> <ul style="list-style-type: none"> <li>- Single sign-on to HEQ's online portal from BCBSMA Member Central</li> <li>- Members can reach HEQ by reaching out to HEQ direct or by calling BCBSMA</li> <li>- BCBSMA will transfer calls directly to HEQ during normal business hours</li> <li>- HEQ offers dedicated customer service 24/7/365</li> </ul> <div style="text-align: right; margin-top: 100px;">2</div>	
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<p>What is a Health Savings Account?</p>	 MASSACHUSETTS
<div style="text-align: right;">             Building Health Savings®         </div> <p><b>What Is a HSA (Health Savings Account)?</b>          Tax advantaged account allowing you to put money aside to pay for qualified medical expenses now and in the future</p> <p><b>Individual Account Ownership</b>          You control the money in your account</p> <ul style="list-style-type: none"> <li>-Use it for eligible expenses today</li> <li>-Save it for a later date</li> <li>-Use it for you, your spouse and your tax dependents*</li> </ul> <p><small>*HSA tax-dependent rule: up to age 19 or, if full-time student to age 24. When no longer a tax-dependent but on parent's High Deductible Health Plans (through age 26), out-of-pocket medical expenses cannot be paid with the parent's HSA. Adult child would set up their own HSA to pay for their own medical expenses  <a href="https://www.irs.gov/publications/p501/ar02.html#en_US_2015_publink1000220886">https://www.irs.gov/publications/p501/ar02.html#en_US_2015_publink1000220886</a></small></p>	
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<p>What Are The Advantages Of A Health Savings Account?</p>	 MASSACHUSETTS
<div style="text-align: right;">             Building Health Savings®         </div> <p><b>Potential for <i>Triple</i> Tax Savings at the Federal level</b></p> <ul style="list-style-type: none"> <li>- HSA contributions are not subject to federal income tax (in 2016 subject to state income tax in AL, CA and NJ only)</li> <li>- Tax free earnings on dollars accumulating in the HSA</li> <li>- Tax free withdrawals for qualified medical expenses</li> </ul> <p><b>Portable</b></p> <ul style="list-style-type: none"> <li>- You keep the money in the HSA account even if you change jobs</li> <li>- Unused funds rollover from year to year</li> </ul>	
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## Health Savings Account Eligibility Requirements



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### In order to contribute to an HSA, you must meet the following criteria:

- You must be enrolled in a qualified High Deductible Health plan (HDHP)
- You cannot have other health coverage (see IRS Publication 969)
- You cannot be enrolled in any part of Medicare or Medicaid
- You cannot be listed as a dependent on someone else's tax return
- You cannot be active in the military\*
- You cannot be enrolled in a Full Scope Health FSA (including through a spouse's plan) or have an FSA balance during the grace period

\*Veterans enrolled in a High Deductible Health Plans with no other disqualifying coverage and who have a service-connected disability may make or receive HSA contributions regardless of when they received VA benefits.

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## Health Savings Account Contributions



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### IRS Contribution Limits

#### 2017 IRS HSA Contribution Limits (Employee + Employer contributions)

Employee Only	\$3,400
Employee +1 or Family	\$6,750

*Age 55 and older – Additional \$1,000 "catch-up" contribution allowed*


### Funding Your HSA


Your employer will provide the following funds into your HSA at the beginning of the plan year on 7/1/16.


Employee Only	\$1,000
Employee +1 or Family	\$2,000

**You may choose contribute to your HSA through Pretax Payroll Deduction**


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<p>Health Savings Account Contribution Considerations</p>	 <p>MASSACHUSETTS</p>
<p style="text-align: right;"><b>HealthEquity</b> Building Health Savings™</p> <p><b>In order to contribute the HSA <u>MAXIMUM AMOUNT</u> for 2017</b></p> <ul style="list-style-type: none"> <li>- Employees who do not remain HSA eligible for an <u>entire tax year</u> will have an adjusted contribution maximum</li> <li>- If you decide to fund your HS.A. to the IRS maximum in 2017, you must maintain coverage in an HSA compliant health plan until December 31, 2018</li> </ul> <p>To understand how this may impact you, the IRS provides guidance on page 5 <a href="https://www.irs.gov/pub/irs-pdf/p969.pdf">https://www.irs.gov/pub/irs-pdf/p969.pdf</a></p> <p><small>Blue Cross Blue Shield of Massachusetts</small></p>	


<p>HSA Qualified Expenses</p>	 <p>MASSACHUSETTS</p>
<p style="text-align: right;"><b>HealthEquity</b> Building Health Savings™</p> <p><b>Qualified medical expenses as outlined in IRS publication 502, and IRC Section 213 (d) <a href="https://www.irs.gov/pub/irs-pdf/p502.pdf">https://www.irs.gov/pub/irs-pdf/p502.pdf</a> include:</b></p> <ul style="list-style-type: none"> <li>- Deductibles</li> <li>- Co-pays</li> <li>- Co-insurance</li> <li>- Eyeglasses/contact lenses</li> <li>- Dental care</li> </ul> <p>Withdrawals not used for qualified medical expenses are included in gross income for tax purposes and are subject to an additional 20% penalty and taxes (penalty waived if age 65 or over)</p> <p><small>Blue Cross Blue Shield of Massachusetts</small></p>	

HMO Current vs Proposed Benefits		
		 MASSACHUSETTS
**CIF** Covered in Full		
Plan Design Features	Current (HMO Deductible FY18)	Proposed HSA (HMO Deductible FY18)
<b>Deductible</b>	\$250 Ind \$750 Family	\$2,000 Ind/ \$4,000 Family
<b>Out of Pocket Maximum</b>	\$2,000Ind/\$4,000Family Medical \$3,000Ind/\$6,000 Family RX	\$5,000/\$10,000 Includes Medical and RX
<b>Preventative, Routine Physical</b>	Covered in Full**	Covered in Full**
<b>Office Visit Copays</b>	\$20/\$35 copay PCP/Specialist	Deductible then CIF**
<b>Inpatient Surgery</b>	Deductible then \$500 copay	Deductible then CIF**
<b>Day Surgery</b>	Deductible then \$150 copay	Deductible then CIF**
<b>ER</b>	Deductible, then \$100 copay	Deductible then CIF**
<b>MRI/CT/PET*copay per procedure</b>	Deductible then \$100 copay	Deductible then CIF**
<b>Diagnostic X-Ray/ Lab Work</b>	Deductible then CIF**	Deductible then CIF**
<b>PT and OT (100 visits/year combined)</b>	\$20 copay per visit	Deductible then CIF**
<b>Chiropractic Care</b>	\$20 copay per visit	Deductible then CIF**(20 visit limit)
<b>DME</b>	20% coinsurance after Deductible	Deductible then CIF**
<b>Pharmacy</b>	Retail: \$10/25/50 Mail: \$20/50/110	Deductible then Retail: \$10/30/65 Mail: \$25/75/165
<b>Fitness and Weight Loss Benefit</b>	\$300/\$150 per family per cal year	\$300/\$150 per family per cal year


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PPO Current vs. PPO Proposed Benefits				
				 MASSACHUSETTS
**CIF Covered in Full				
Plan Design Features	Current (PPO Deductible FY17)	Current (PPO Deductible FY17)	Proposed HSA (PPO Deductible FY18)	Proposed HSA (PPO Deductible FY18)
<b>Deductible</b>	\$250 Ind/\$750 Family	\$400Ind/ \$800 Family	\$2,000Ind/\$4,000 Family	\$2,000Ind/\$4,000 Family
<b>Out of Pocket Maximum</b>	\$2,000ind/\$4,000 Family Medical \$3,000Ind/\$6,000 Family RX	\$3,000 per member	\$5,000Ind/\$10,000Family Medical/RX combined in and out of network.	Combined with in network
<b>Routine Physical</b>	CIF**	20% coinsurance	CIF**	20% coinsurance after deductible
<b>Office Visit Copays</b>	\$20/\$35 PCP/Specialist	20% coinsurance	Deductible then CIF**	20% coinsurance after deductible
<b>Inpatient Surgery</b>	\$500 copay after deductible	20% coinsurance after deductible	Deductible then CIF**	20% coinsurance after deductible
<b>Day Surgery</b>	\$150 copay after deductible	20% coinsurance after deductible	Deductible then CIF**	20% coinsurance after deductible

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PPO Benefits Continued				 MASSACHUSETTS
Plan Design Features	Current (PPO Deductible FY17) In Network	Current (PPO Deductible FY17) Out of Network	Proposed HSA (PPO Deductible FY18) In Network	Proposed HSA (PPO Deductible FY18) Out of Network
ER	Deductible then \$100 Copay per visit	Deductible then \$100 Copay per visit	Deductible then CIF**	Deductible then CIF**
MR/CT/PET Scan	Deductible then \$100 copay	20% coinsurance after deductible	Deductible then CIF**	20% coinsurance after deductible
Diagnostic X-Ray/ Lab Work	Deductible then CIF**	20% coinsurance after deductible	Deductible then CIF**	20% coinsurance after deductible
PT and OT (100 visits/year combined)	\$20 copay per visit	20% coinsurance	Deductible then CIF**	20% coinsurance after deductible
Chiropractic Care	\$20 copay per visit	20% coinsurance	Deductible then CIF**	20% coinsurance after deductible
DME	20% coinsurance after deductible	20% coinsurance after deductible	Deductible then CIF**	20% coinsurance after deductible
Pharmacy	Retail: \$10/25/50 Mail: \$20/50/110	N/A	After deductible: Retail:\$10/30/65 Mail:\$25/75/165	N/A
Fitness/Weight Loss Benefit	\$300/\$150 per family per cal year	N/A	\$300/\$150 per family per cal year	N/A

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Individual Coverage Scenario- Average Medical Plan Use			 MASSACHUSETTS
Estimated Member Cost	Network Blue HMO	H.S.A. Qualified HMO	
Annual Premium est. 25% employee cost	\$2,190	\$1,818	
Deductible	\$250	\$2,000 (combined medical and Rx)	
Preventive Care	\$0	\$0	
1 Prescription (tier 2, retail)	\$25	\$150	
1 Regular Sick Visits	\$20	\$120	
1 Specialist appointments	\$35	\$150	
<b>Subtotal</b>	<b>\$2,270</b>	<b>\$2,238</b>	
Health Savings Account Funding	N/A	\$1,000	
<b>Total Estimated Cost</b>	<b>\$2,522</b>	<b>\$1,238</b>	

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Individual Coverage- Higher Medical Plan Use



Estimated Member Cost	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% employee cost	\$2,190	\$1,818
Deductible	\$250	\$2,000 (combined medical and Rx)
Preventive Care	\$0	\$0
3 Prescriptions (tier 2)	\$75	\$450
2 Regular Sick Visits	\$40	\$240
2 Specialist appointments	\$70	\$300
1 MRI (250 ded +100 copay)	\$350	\$1,010
5 Physical Therapy Visits	\$100	\$0
<b>Subtotal</b>	<b>\$2,825</b>	<b>\$3,818</b>
Health Savings Account Funding	N/A	\$1,000
<b>Total Estimated Cost</b>	<b>\$2,825</b>	<b>\$2,818</b>


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Family Coverage Scenario- Average Medical Plan Use




Estimated Member Cost	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% member cost	\$5,871	\$4,872
Deductible	\$750	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Blood Pressure Medication (tier 1)	\$120	\$156
Monthly Rx- Cholesterol Medication (tier 1)	\$120	\$396
Monthly Type II Diabetes Prevention Rx (tier 1)	\$120	\$360
1 Regular Sick Visit	\$20	\$120
2 Specialist appointments	\$70	\$300
<b>Subtotal</b>	<b>\$6,321</b>	<b>\$6,204</b>
Health Savings Account Funding	N/A	\$2,000
<b>Total Estimated Cost</b>	<b>\$6,321</b>	<b>\$4,204</b>


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Family Coverage Scenario- Higher Medical Plan Use		 MASSACHUSETTS
Estimated Member Cost	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% member cost	\$5,871	\$4,872
Deductible	\$750	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Flovent Prescription (Tier 2- mail)	\$200	\$1,700
5 Regular Sick Visits	\$100	\$750
3 Throat Cultures	\$60	\$102
1 MRI (\$250 ded.+ \$100 copay)	\$350	\$1,448
Inpatient Surgery (\$250 deductible +\$500 copay)	\$750	\$0
10 Physical Therapy Visits	\$200	\$0
1 ER Visit (\$100 copay)	\$100	\$0
<b>Subtotal</b>	<b>\$7,631</b>	<b>\$8,872</b>
Health Savings Account	N/A	\$2,000
<b>Total Estimated Cost</b>	<b>\$7,631</b>	<b>\$6,872</b>

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### HSA HOW TO: Doctor Visits Spending your HSA: Medical Care





  
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Go to the doctor Present your BCBSMA ID card

Doctor sends Blue Cross the bill Blue Cross adjusts price based on discounts





BCBSMA sends you a Claim Summary & Provider sends you their bill Employee pays provider with HealthEquity® Visa® Health Account Card or via the online portal\*



**You decide** how to pay provider:

- Use funds from your HSA
- Use your own money and save HSA fund for future

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<p><b>HSA HOW TO: Pharmacy Prescriptions</b> Spending your HSA: Prescriptions</p>	 MASSACHUSETTS
<div style="display: flex; justify-content: space-around;"> <div data-bbox="487 409 779 588">  </div> <div data-bbox="803 409 1112 588">  </div> </div>	
<div style="text-align: right; margin-right: 100px;">           Building Health Savings       </div> <div style="text-align: center; margin-top: 20px;"> <p>Go to pharmacy → Show Blue Cross ID card</p> <p>Pharmacy applies discount → Pay with HSA card</p> <p>Pharmacy sends claim to Blue Cross → Blue Cross applies amount to your deductible – no paperwork needed</p> <p>You decide how to pay provider:</p> <ul style="list-style-type: none"> <li>- Use funds from your HSA</li> <li>- Use your own money and save HSA fund for future</li> </ul> </div>	
<p style="font-size: small;">Blue Cross Blue Shield of Massachusetts</p>	

<p><b>Investment Options To Grow HSA Funds</b></p>	 MASSACHUSETTS
<div style="text-align: right; margin-right: 100px;">           Building Health Savings       </div> <p><b>Deposit Account</b></p> <ul style="list-style-type: none"> <li>- Insured by the Federal Deposit Insurance Corporation (FDIC)</li> </ul> <p><b>Investment Opportunity</b></p> <ul style="list-style-type: none"> <li>- \$2,000 minimum deposit account balance must be reached and maintained to invest future contributions</li> <li>- Health Equity mutual funds available for investment from conservative to aggressive</li> <li>- A brief overview of each HSA mutual fund option is available on the HealthEquity website or by following this link: <a href="#">HealthEquity Investment Overview</a></li> <li>- Mutual fund investments are not insured</li> </ul>	
<p style="font-size: small;">Blue Cross Blue Shield of Massachusetts</p>	

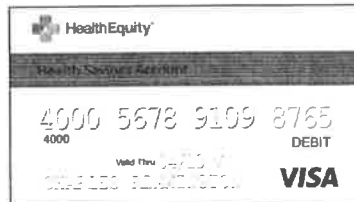
## HSA Multiple Ways To Pay Or Get Reimbursed



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### Reimbursement options include:

- **Debit Card\*** - for immediate payment at pharmacies and doctors' offices.
- **Online distributions** - use Health Equity Online Portal to make online one-time transfers into any bank account or pay your provider directly
- **Manual Reimbursement Request** - submit a manual reimbursement request



### You will receive a Welcome Kit with Debit Card(s)

- New enrollees: 2 cards for employee +1 and family additional cards may be requested, \$5 fee for more than 3 cards
- *Already a member? Keep your HSA cards until expiration date on card*

\*Daily Limit of \$2,500. Call HealthEquity to override.

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## Health Equity HSA Member Portal [www.myhealthequity.com](http://www.myhealthequity.com)



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### Use your HealthEquity member portal to:

- Check your balance
- Review claims & transactions
- Submit claims or documents
- Pay your providers
- Reimburse yourself
- Access tax documents

**TIP!**  
HealthEquity is GREEN!  
Paper Statements: \$1.00  
Checks: \$2.00

FREE! Direct Deposit  
FREE! E-Statements

### Use your HealthEquity mobile app to:

- Get on-the-go access
- Take a photo of documentation and link to claims
- Send payments and reimbursements from HSA
- View claims status



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Questions?



**HealthEquity**

- Call HealthEquity toll-free number 877-694-3938  
Every hour of Every day 24 hours a day, 7 days a week, 365 days a year!
- Visit [www.myhealthequity.com](http://www.myhealthequity.com)

**Blue Cross Blue Shield of Massachusetts**

- Call Member Service toll-free number on ID card  
Monday - Friday, 8am - 6pm (Eastern Standard Time)
- Visit [www.bluecrossma.com](http://www.bluecrossma.com)

