



Make the Most of Your Healthcare Dollars with an HSA



A smart, convenient way to pay for healthcare

With your BlueSolutions or Access Blue New England for HSA health plan, you have the option to set up a health savings account (HSA) for qualified medical expenses.

This guide explains how HSAs work and provides all the information you'll need to make the most of this smart, convenient savings tool.

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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 last page.




Learn about the many advantages of HSAs

You earn a **triple tax** advantage

An HSA works like 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

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

	>		>	
\$65,000 Household income		\$2,000 Tax-exempt HSA contribution		\$371 Tax savings

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

HSA contributions are subject to annual contribution maximums

2023 annual contribution maximums

Individual plans:	Family plans:
\$3,850	\$7,750

Account holders who are 55 years or older can contribute an **extra \$1,000**.

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.**

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.

How to manage your HSA online

- **Log in** to your **myBCBSRI** account on your computer.
- **Click View HSA Transactions** in the left-hand tool bar. Then, **click London Health Administrators**.
- **Explore** HSA tools and resources:
 - 1 The Menu includes helpful tools, such as view transaction history, process payments, utilize educational tools, and customize your user profile.
 - 2 My Accounts displays the amount in your HSA, including your cash and investment balances. If you'd like to view your account management tools (such as contributions, transactions, investments, and bill pay), click the HSA balance bar.
 - 3 My Alerts indicates if you have plan notifications available, such as quarterly statements and tax forms.
 - 4 The Pay Bills tool allows you to send HSA payments for claims not applied toward your health plan, such as dental and vision expenses.
 - 5 The eClaims Manager tool allows you to send HSA payments for claims applied to your health plan deductible.
 - 6 The FSA Store allows you to view eligible healthcare expenses and make qualified purchases.

The screenshot displays the 'Personal Dashboard' for Blue Cross Blue Shield of Rhode Island. At the top left, a 'MENU' icon is highlighted with a circled '1'. The dashboard features a 'My Accounts' section (circled '2') showing a total balance of \$9,158.59, with \$5,573.74 available and \$3,584.85 in investment. To the right is a 'My Alerts' section (circled '3') with a notification from Nov 24, 2021, at 7:49 am regarding an email address change. At the bottom, there are two prominent buttons: 'Pay Bills' (circled '4') and 'eClaims Manager' (circled '5'). In the top right corner, there are links for 'FSA Store' and 'Notifications', with the latter circled '6'.

How to use the mobile app

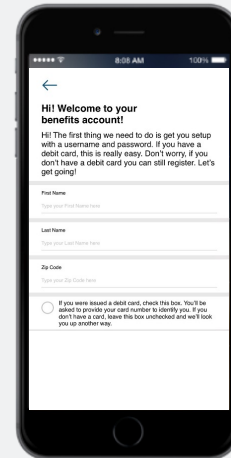
The BlueSolutions Spending mobile app is available for all smartphones and allows you to manage your HSA on the go. The instructions below explain how to download and set up the HSA mobile application. You can also read about its valuable features.

Please note:

The BlueSolutions Spending app is for managing your HSA only. You can't view or manage other health plan benefits with this app.

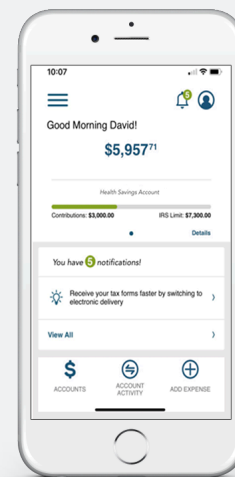
Download the BlueSolutions Spending app from the Apple® App Store or Google Play®

- **Open the app** from your phone.
- **Tap** on the **SIGN UP** link and follow the prompts.
- **Create a username and password** if you are a first-time user. When you tap the app icon and the log-in screen appears, click **SIGN UP**.
- **Fill out** the registration page shown to the right.
- **Follow** the remaining on-screen prompts to complete the registration process.



Here is an overview of the mobile app features

- **MENU** - Provides access to account management links, eligible expense tools, and account information.
- **ACCOUNTS** - Lets you view account details, contributions, transactions, and preferences.
- **ACCOUNT ACTIVITY** - Displays transaction history, including payment and deposits.
- **ADD EXPENSE** - Gives you access to mobile bill pay tools.



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. Apple and the Apple logo are trademarks of Apple Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Google Play is a trademark of Google Inc.

How to fund your HSA

There are four ways you can fund your HSA.

- 1 Payroll contributions - Talk to your employer about having pre-tax dollars deducted from your paycheck and deposited directly into your HSA.
- 2 Online transfers using your **myBCBSRI.com** account - To make a transfer, follow these steps:
 - **Log in** to your **myBCBSRI** account.
 - **Click View HSA Transactions** in the left-hand tool bar. Then, **click London Health Administrators**.
 - **Click** the **HSA balance** bar in the **My Accounts** box within the dashboard.

You can process transfers to and from your HSA with this tool.

Please note: Before initiating a transfer, you must add the personal account you want to debit by clicking **Add Bank Account**.

- 3 Online transfers from your personal bank account to your HSA - Go to your personal bank's online banking portal and transfer the preferred amounts into your HSA. You'll need your HSA bank account, which is located in the **My Accounts** box within the dashboard.
- 4 You can make a manual funds deposit into your HSA by mailing a check from your personal bank account to your HSA.

Please make your check payable to UMB Bank and then mail the check and the proper direct deposit form to:

UMB Bank Contributions
PO Box 874264
Kansas City, MO 64187-4264

You can find a direct deposit form by clicking on the **Documents and Forms** link at the bottom of your dashboard.

How to roll over funds from another HSA

To transfer money from an existing HSA to your UMB HSA, please do the following:

- Complete the UMB Rollover Form and return it to the BCBSRI HSA Administrator, London Health.
- You can find the Rollover form by clicking on the **Documents and Forms** link at the bottom of your dashboard.
- You can continue to use your old HSA until the end of the year. Then, follow your bank's process to close your old HSA.

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
Childbirth/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
Menstrual products
Mental health
Neurologist
Non-prescription medicines, like cold and flu pills
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
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.



How to pay medical expenses with your HSA

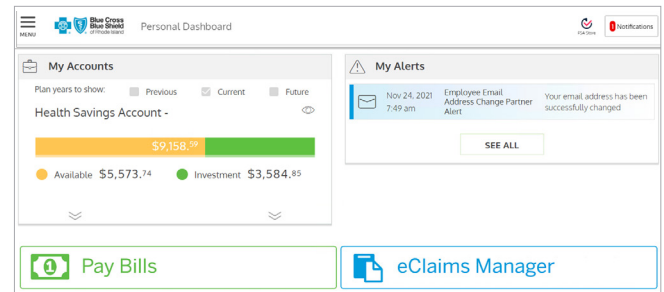
When you do have a medical expense, first verify your deductible and the amount that you owe. Then use one of these four convenient options to pay with money from your HSA.

Debit card

- **If you're charged at your provider's office**, you can use your HSA debit card to pay the bill right there.
- **If the bill is mailed to you**, you can call the provider to process your debit card payment over the phone, or you can write your debit card number on the medical bill and mail it back to the provider.

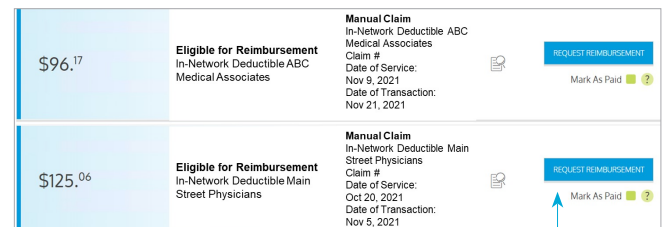
Online bill pay/Request reimbursement

- **Log in** to your **myBCBSRI** account on your desktop computer. (eClaims Manager is not available through the BlueSolutions Spending mobile app.)
- **Click View HSA Transactions** in the left-hand tool bar. Then, **click London Health Administrators**.
- **Click the eClaims Manager** tab near the bottom of your HSA dashboard.



- The eClaims Manager will display the claims that have been automatically uploaded by BCBSRI.

Click Request Reimbursement for the specific claim you want.



- **Review** the claim information. If you want to pay the provider, **click Pay Provider**. If you want to pay yourself, **click Pay Me**. When ready to pay the claim, **click Next**.
- **To finalize** payment, **click Submit** on the following page. The funds will be withdrawn from your HSA and the payment will be sent directly to the recipient you designated.

The screenshot shows a form for selecting payment method. 'Service Start Date' and 'Service End Date' are both set to Nov 9, 2021. 'Claimant' is selected. 'Claim Amount' is \$96.17. Under 'Whom shall we pay?', the 'Pay Provider' radio button is selected. 'Provider Name' is 'ABC MEDICAL ASSOCIATES'. There is a text area for 'Enter claim notes if preferred'. Below is a 'Claim Details' table:

Claim Line	Service	Your Total Responsibility	Amount you paid out-of-pocket	Your Benefit Accounts Paid	Remaining Responsibility
1	In-Network Deductible	\$96.17	\$0.00	\$0.00	\$96.17
Total Claim		\$96.17	\$0.00	\$0.00	\$96.17

At the bottom, there are 'CANCEL' and 'NEXT' buttons.

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Pay by HSA check

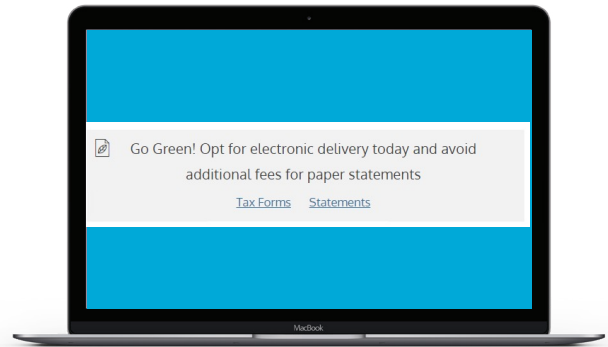
- **If you're charged at your provider's office**, you can write a check from your HSA.
- **If the bill is mailed to you**, you can write a check from your HSA and mail it to your provider.
- **Please note:** You will need to order a checkbook from UMB if you would like to use this payment option. The cost of the checkbook is \$11.25.
- **To order your HSA checkbook**, download the UMB HSA Signature Card Form form by clicking on the **Documents and Forms** link at the bottom of your dashboard. Send the completed form to the address on the form. You will receive your checkbook within 7-10 business days. You will see a debit to your HSA for the purchase on your quarterly statement.

How to opt-in for electronic statements

Due to banking regulations, the BCBSRI HSA custodian, UMB, will automatically mail you account paper statements. The bank will charge a fee of \$1.50 per statement per quarter.

To avoid the fee and opt-in for electronic statements instead, please do the following:

- **Log in** to your **myBCBSRI** account.
- **Click View HSA Transactions** in the left-hand tool bar. Then, **click London Health Administrators**.
- **Choose View/Benefits Account Summary** from the **Menu**.
- **Click Statements** on your **Account Summary** page. You can change your **Delivery Preference** here.



How to invest with your HSA

Before investing, please note the following important details:

- Investments are not FDIC-insured.
- Interest earned is tax-free.
- Minimum balance in HSA to invest = \$1,000.
- Investment account fee = \$2.50 per month.



To begin investing, click on your HSA balance bar in the **My Accounts** box of the BCBSRI HSA dashboard. Then, click the **Investment** tab.



To manage your investments, click **View/Trade** in the tab tool bar. You will then be automatically redirected to the UMB self-guided portfolio manager. Within this site you will have access to four tabs:

- **SUMMARY** - Displays overview of your account and investments.
- **INVEST** - Provides tools to buy/sell investments.
- **ACTIVITY** - Shows your transaction history.
- **TOOLS & EDUCATION** – Gives you access to investment options and research resources.



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?

2023 contributions can be made by the eligible employee, their employer, or any other individual. In 2023, annual contributions from all sources may not exceed \$3,850 for individuals or \$7,750 for families. 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 \$1,000. (UMB Bank investment accounts are subject to an additional fee, are not FDIC-insured, are 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?

Log in to your **myBCBSRI** account and click **View HSA Transactions** in the left-hand tool bar. Then click **London Health Administrators**. Here, you can find a personal dashboard showing your balances and claims history and get access to pay bills. You will also find tools and resources to help you make the most of your HSA.

This communication has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction. HSAs are not insurance. HSAs are individual accounts, and are subject to eligibility and restrictions, including but not limited to, restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code.

**IT'S WHAT
WE LIVE FORSM**



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