

FURTHERSM



VEHI Health Savings Account agenda:

BCBSVT & Further partnership for VEHI

VEHI Health Savings Account Options (HSA)

- Plan eligibility, contribution limits, and product pricing
- VEHI Plan options for HSA
- Approved HSA expenses
- Medicare and your HSA
- HSA investment options
- HSA savings – real life examples
- Flexible spending account (LPFSA)

Jordan Summers, V.P. National Sales

BCBSVT and Further Learning Center

- Resources and tools from day one
- Further Learn Center – on demand resource

Group portal experience

- Group portal – demo
- Reporting capabilities

Katie Krispin, Health Plan Implementation Manager

Questions and next steps

- Further's next webinar
- Employee portal demo
- VEHI migration and implementation details
- Health Reimbursement Accounts

All

Delivering everything you expect, but better.

ALL ACCOUNT TYPES

HSA HRA

FSA DCAP

LOWER FEES

Simple and affordable one-fee model, no hidden fees.

HIGH-INTEREST RATES

Best in market rates, with options for the spectrum of needs.



VEHI Health Savings Account (HSA)

- Health Savings Account (**HSA**) allows you to set aside a portion of pretax payroll
- No taxes on money you put in or take out to pay for qualified medical expenses
- Interest earned is tax-free
- No “use it or lose it”; unused money rolls to next year
- Account stays with you, even if you change jobs or retire
- **VEHI specific** - For 2021 - HSA with employer contributions will be offered by school districts to help cover out-of-pocket costs
- If you have an HSA now and wish to retain it, **or** if you want to open an HSA for the first time, you must enroll in the **Silver CDHP**.
- Effective January 1, 2021, under the terms of the statewide agreement, you **cannot** receive or make contributions to an HSA if you are enrolled in the **Gold CDHP**.



Vermont Statewide Bargaining Agreement

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Important takeaway points:

- ALL 4 VEHI health plans offer cost sharing options for 2021
- HSA employer contributions are limited to Silver CDHP **ONLY**
- HSA contributions are deposited in total upfront (by VEHI)
- Debit cards provided to all employees for prescriptions
- Auto pay to provider for medical claims for both HSA and HRA
- Domestic partner health benefits offered for first time

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Health Savings Account eligibility and max contribution

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The HSA is only available on the Silver CDHP Plan

You **cannot** receive or contribute to an HSA if you have:

- Flexible spending account through an employer
- Flexible spending account through a spouse
- Health coverage through a spouse
- Medicare, Medicaid, Tricare, VA benefits

HSA funds **cannot** be used for anyone who is not a tax dependent

2021 Maximum HSA contributions (annually)

\$3,600 single

\$7,200 family

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HSA Plan eligibility - Licensed employees

- Teachers
- Principals / Vice Principals
- Superintendents
- Special education coordinators

Health Plan	VEHI Health Savings Account contribution
Platinum	N/A
Gold	N/A
Gold CDHP	N/A
Silver CDHP	\$2,100 single / \$4,200 fam

HSA Plan eligibility – Non licensed employees

- Business managers
- HR staff
- Paraeducators
- Administrative
- Kitchen
- Custodial
- Maintenance
- Transportation

Health Plan	VEHI Health Savings Account contribution
Platinum	N/A
Gold	N/A
Gold CDHP	N/A
Silver CDHP	\$2,200 single / \$4,400 fam

VEHI Product Pricing

	Pricing
Value HSA “Spender”	\$0.48 / PPPM
Select HSA “Saver”	\$1.75 / PPPM
Premium HSA “Investor”	\$2.40 / PPPM
Health Reimbursement Arrangement (HRA)	\$2.25 / PPPM
Medical Flexible Spending Account (FSA)	\$2.25 / PPPM

PPPM = Per Participant Per Month



How your HSA works

- Enroll in an HSA-qualified health plan (**SILVER CDHP**)
- Ensure you are not:
 - Claimed as a dependent on someone else's tax return (i.e. children)
 - Have no other health plan coverage (including spouse's medical FSA*)
 - Not enrolled in Medicare, Medicaid, Tricare, VA benefits
- Set aside portion of payroll pretax, not more than:
 - 2021: \$3,600 for single, \$7,200 for family
- Convenient Further debit card to pay providers
- Submit bills for reimbursement for out-of-pocket

The advantage of an HSA

Called the “**triple tax advantage**”, an HSA allows its owner to see significant tax benefits beyond what other healthcare spending account do not.

- Contribute – tax free
- Spend – tax free
- Earn interest – tax free



Approved expenses Health Savings Account

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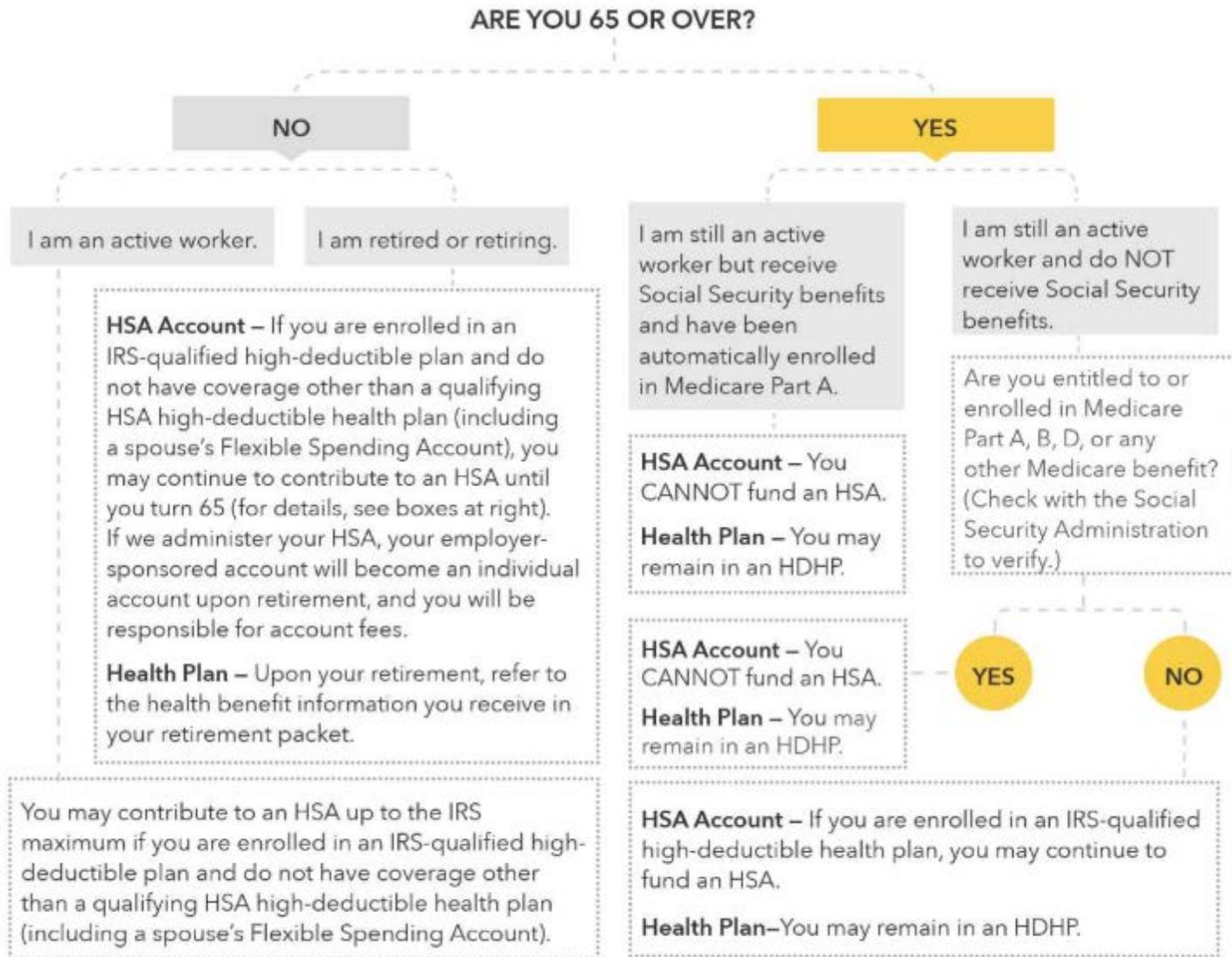
HSA eligible products

The CARES Act, signed into law on March 27, 2020, expanded the list of products eligible for reimbursement from health savings accounts (HSAs) and medical flexible spending accounts (FSAs).

Changes include the addition of over-the-counter (OTC) drugs and medicines, which previously were only eligible for reimbursement with a prescription. Additionally, feminine hygiene products such as tampons, pads, liners, cups, and sponges are now eligible.

These newly approved items are retroactively eligible dating back to January 1, 2020, meaning you can file for reimbursement for these items if you've purchased them since January 1.

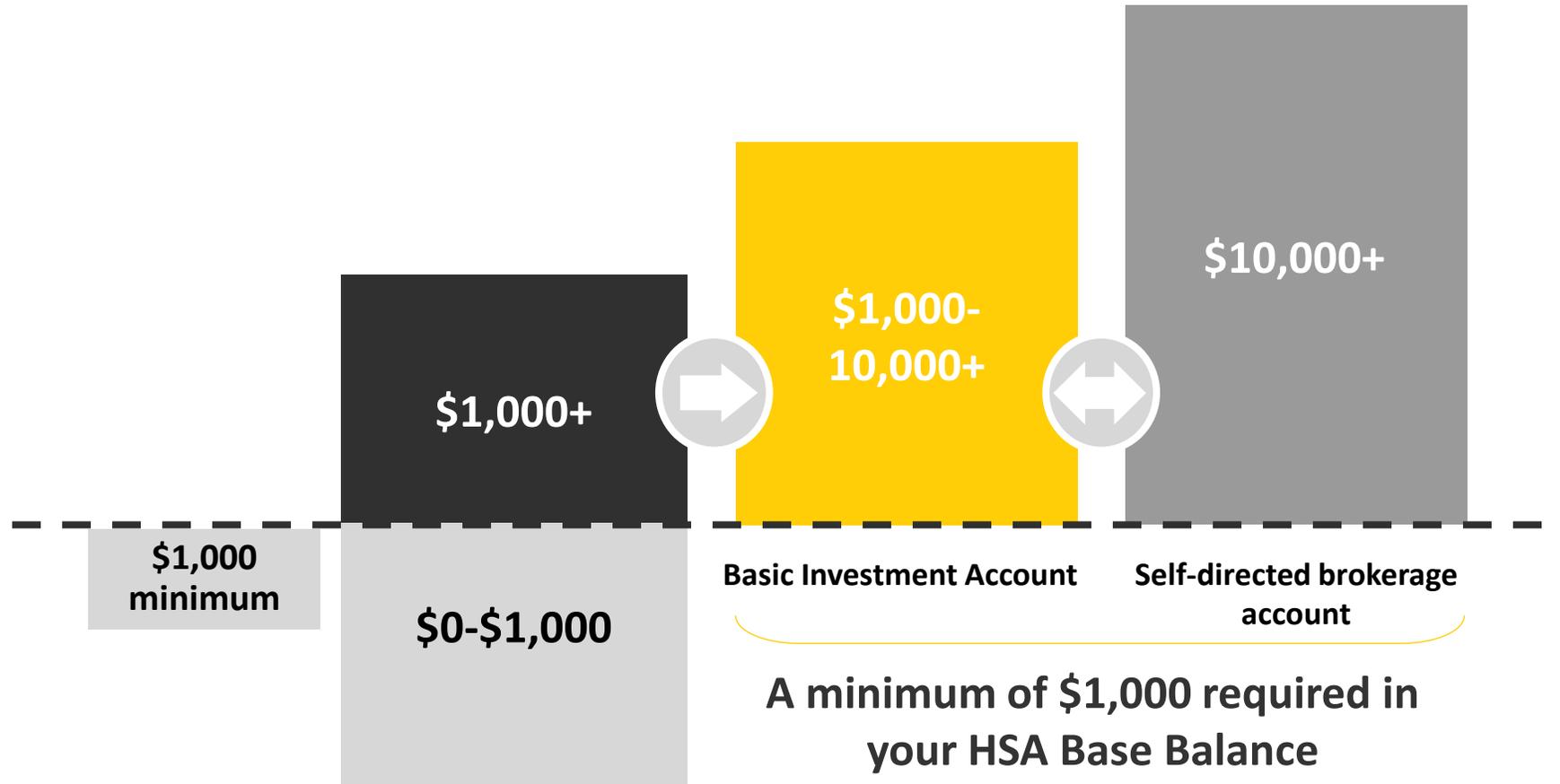
Medicare and your Health Savings Account



- Eligible
- Entitled
- Enrolled

(If you or your spouse are 65 or are approaching age 65, seek the advice of a tax professional before making any decisions.)

Investment options



Meet Molly

Single professional, no children

Annual salary	\$48,000
HSA contribution	\$3,000
Taxable income	\$45,000
Estimated tax rate ¹	25%

Assumes Molly pays 25% 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.

Molly's story is a hypothetical example for purposes of illustration only.



Molly's savings

	Without an HSA	With an HSA
Estimated taxes ¹	\$12,000	\$11,250
Tax savings	\$0	\$750
Health care expense	\$600	\$600
HSA account	\$0	\$3000
HSA balance to roll over	\$0	\$2,400

At year's end, Molly has not only saved \$750 in taxes, but has used those savings to cover all of her health care expenses AND established an HSA account that is available for future expenses.

Assumes Molly pays 25% 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.

Molly's story is a hypothetical example for purposes of illustration only.



Meet the Martinez's

Maria and her teenage son, Antonio

Annual salary	\$68,000
HSA contribution	\$5,000
Taxable income	\$63,000
Estimated tax rate ¹	25%

¹ Assumes Maria pays 25% 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 Martinez's story is a hypothetical example for purposes of illustration only.

Maria's savings

	Without an HSA	With an HSA
Estimated taxes ¹	\$17,000	\$15,750
Tax savings	\$0	\$1,250
Health care expense	\$2,450	\$2,450
HSA account	\$0	\$5,000
HSA balance to roll over	\$0	\$2,550

At year's end, Maria has not only saved \$1,250 in taxes, but has used those savings to cover approximately half of her health care expenses. She has also established an HSA account that is available for future expenses.

Assumes Maria pays 25% 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.

Martinez's story is a hypothetical example for purposes of illustration only.

Meet the Robinsons

Two parent family with two school-age children

Combined annual salary	\$94,000
HSA pre-tax contribution (2020 limit)	\$7,100
Net taxable income	\$86,900
Estimated tax rate ¹	25%

Assumes the Robinsons pay 25% 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.

This story is a hypothetical example for purposes of illustration only.



The Robinson's Savings

	Without an HSA	With an HSA
Estimated taxes ¹	\$23,500	\$21,775
Tax savings	\$0	\$1,775
Health care expense	\$1,850	\$1,850
HSA account	\$0	\$7,100
HSA balance to roll over	\$0	\$5,250

At year's end, the Robinsons have not only saved \$1,775 in taxes, but they have used those savings to cover most of their health care expenses AND established an HSA account that is available for future expenses.

Assumes the Robinson's pay 25% 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 Robinson's story is a hypothetical example for purposes of illustration only.

Meet the Schwartz's

Empty nesters – Bill and Emily, retiring in five years

Combined annual salary	\$125,000
HSA pre-tax contribution (2020 limit) <i>Includes \$1,000 extra contribution</i>	\$8,100
Net taxable income	\$116,900
Estimated tax rate ¹	25%

¹ Assumes the Schwartz's pay 25% 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.

² Balances over \$1,000 are eligible to invest in more than 30 mutual fund options through Charles Schwab.

The Schwartz's story is a hypothetical example for purposes of illustration only.



The Schwartz's Savings

	Without an HSA	With an HSA
Estimated taxes ¹	\$31,250	\$29,225
Tax savings	\$0	\$2,025
Health care expense	\$1,400	\$1,400
HSA account	\$0	\$8,100
HSA balance to roll over	\$0	\$6,700

At year's end, the Schwartz's have not only saved \$1,975 in taxes, but they have used those savings to cover all of her health care expenses AND continued to contribute to an HSA account that is available for future expenses.

¹ Assumes the Schwartz's pay 25% 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.

² Balances over \$1,000 are eligible to invest in more 30 mutual fund options through Charles Schwab.

The Schwartz's story is a hypothetical example for purposes of illustration only.

VEHI Limited Flexible Spending Account

- If you choose a Silver CDHP with an HSA, you are **not** allowed to have a Flexible Spending Account; however, you can have a **Limited Purpose FSA**, which allows money to be set aside for dental or vision.
- Definitions:
 - **Run-out:** The run-out period is a set amount of time that employees must use their dollars into the new year for the prior year expenses. (e.g., A December 2020 claim can be paid from the 2020 account if it is received within the run-out period).
 - **Roll-over:** If written in the plan document in advance, an employer can allow employees to roll-over up to \$550 from one plan year to the next. (e.g., A member sets aside \$1,000 for 2020, but only has \$800 worth of eligible expenses, the member can have \$200 roll-over to the 2021 plan year).
 - **Grace period:** If allowed, a grace period allows members (within a defined period) to use the prior year's FSA dollars for the next year's expenses. (e.g., A member sets aside \$1,000 for 2020, but only has \$800 in expenses during the 2020 plan year. The member could use the remaining \$200 for expenses incurred in the beginning of 2020).
 - Please note that the employer's plan document can offer either the grace period or the roll-over (or neither), but not both.



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Further Resources and Learn Center

Surrounding people with what they need from day one

DEDICATED EXPERTS

Experienced professionals working to manage the details for you

RESOURCES

Relevant tools, guidance and reminders that assist members in reaching an informed decision

SEAMLESS INTEGRATION

Consolidated billing, integration with wellness incentives and single sign on website provides a seamless experience



PROACTIVE SUPPORT

Dedicated service teams to meet people where they are, when they need them

ONBOARDING

A welcoming and supported experience from plan selection to account migration

COMMUNICATION

Connecting with groups and members to keep them informed about what's new and important for them

LEARNING CENTER

A rich, online resource to provide education about health spending accounts and best practices to maximize the benefits

Further Learn Center

Becoming a smart health care consumer is easy when you have the information and resources you need.

We're dedicated to helping you understand how your money and health connect so you can feel confident you're making informed health care spending choices

- Open enrollment communications and playbooks
- HSA vs. traditional health plan calculator
- HSA savings and goal calculators
- HSA max contributions calculator
- HSA employee benefit calculator

[HSA vs. Traditional Health Plan Calculator](#)

[HSA Savings Calculator](#)

[HSA Goal Calculator](#)

Regulatory Updates
PowerPoint presentations
HSA member materials
HSA essential guides
Product comparison chart



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Group Portal Demo

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