

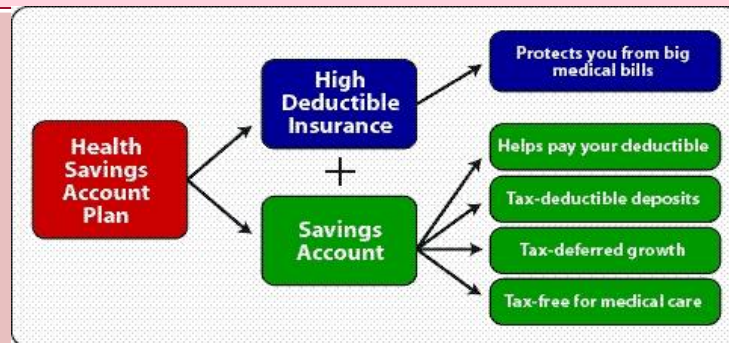
Silicon Benefits Insider

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Have you read up on HDHP's and HSA's?

What is an HSA?

An HSA is a savings account that is combined with a qualified high deductible health plan (HDHP). The HDHP protects the insured from the cost of catastrophic illness, hospitalization, or an unhealthy year. The Health Savings Account (HSA) funds are used for paying the smaller expenses before the deductible is met (i.e. office visits, prescription drugs, expenses subject to your deductible). A HDHP is typically much less than a traditional copay plan and those savings could be deposited into an HSA.



What are the tax advantages?

HSA's provide triple tax savings:

- Tax Deduction on the amount you deposit
- Tax Deferred
- Tax Free withdrawals for medical, dental and vision expenses

What are the limits of how much I can contribute to the HSA?

The Department of Treasury set a calendar year limit on the maximum amount that can be deposited into the HSA, exempt from tax in 2009. An individual who is covered on their HDHP as a Single coverage can contribute up to \$3,000. If an individual is covered on their HDHP as a Family (Single +1 or more dependents) the maximum contribution is \$5,950. If an insured is over the age of 55, there is a catch up contribution of \$1,000, in addition to the amounts above.

What happens when I go to the Doctor, Hospital, or Pharmacy?

1. Present your medical I.D. Card (Blue Cross, United Healthcare, etc.) at point of service as the PPO discount (up to 50%) still applies on Physicians, Hospitals, and Pharmacies with the major insurance companies.
2. Ask the Provider (Physician, Hospital, Pharmacy) to verify your benefits, to predetermine how much the charge is, how much the insurance company will cover or discount and to determine your financial responsibility.
3. When asked to pay for the services, pay for the medical, dental, and vision expenses with your HSA debit card, tax free.
4. Keep all of your receipts for HSA expenditures in the event of an audit.
5. Be sure to review the Explanation of Benefits (EOB) and audit any provider billing statements based on the date of service to ensure you are only paying what is required.
6. Learn more about HSA's and how they can save you money on your health insurance premium and taxes.

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