

Why an HDHP with an HSA may be the right choice for you



Explore reasons for enrolling in a qualifying high-deductible health plan (HDHP) paired with a health savings account (HSA).

When it's time to select your health plan, the choice is usually between two types:

1. A traditional copay plan (PPO)
2. A qualifying high-deductible health plan coupled with a health savings account

Choosing an HDHP and funding a health savings account is often the financial winner because you get:

- Income tax-free savings to cover a variety of qualified medical expenses now and into the future
- Typically lower premiums
- More control of your health care dollar

While everyone's plan options are different, when you line them up side by side, a qualifying high-deductible health plan with a funded HSA is the better deal in many scenarios. This can be true for both planned expenses as well as the unplanned. Often, the lower premiums combined with the tax savings end up costing you less than paying the higher premiums and copays in a traditional plan.

And if you don't have immediate medical needs, you have the potential to save even more. The money you put in your HSA will be there for you next year or the year after, potentially growing all the way to retirement and beyond. You may also choose to invest your HSA dollars once your balance reaches a designated minimum threshold amount.

See how an HSA works

Lisa signed up for a high-deductible health plan through her employer last year. Because she has a chronic asthma condition, she was happy to hear she could open an HSA to save for her asthma prescriptions and doctor visits. Here's how she saves money while keeping up with treatment.

1. Lisa figured out that she spends about \$3,000 on her doctor visits and supplies each year. Then she set up pre-tax HSA contributions through payroll deduction to cover that amount. Lisa's HSA contribution saves her \$1,130 in taxes,* which essentially reduces her asthma expenses to \$1,870 for the year.
2. Whenever Lisa needs to see the doctor or order supplies, she uses her HSA to pay for it. So, she doesn't have to pay anything out-of-pocket.
3. She uses the U.S. mail-order pharmacy option available through her health plan to save even more.
4. Lisa checks her balance frequently at [optumbank.com](https://www.optumbank.com). If she notices it's getting low and she hasn't reached the IRS contribution limit for the year, she deposits additional funds online or increases her payroll deduction contribution through her employer.

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Here's how your HSA helps you save

Your HSA is designed to work with an IRS-qualifying high-deductible health plan to protect you and your family against unexpected health care costs. When you use your HSA, it's like using a 25–35 percent coupon for your qualified medical expenses.** That's because HSA contributions are tax advantaged.

For example, let's say you visit your dentist and receive a bill for \$400. When you pay with your HSA, you will save between \$100 and \$140 dollars based on your tax rate.

About Optum Bank HSAs

Your employer has partnered with Optum Bank, Member FDIC, to administer your HSA. As a digital, analytics and technology leader, Optum Bank is the only HSA bank that is connecting health and finance in unprecedented ways. We make it easy to plan, save and pay for health care with the right tools, resources and information based on your needs.

Some of the ways we're building a better banking experience include:

- **Highest rated mobile app** — 4.5/5
- **The Optum Bank Academy** — A best-in-class HSA education experience, equipping you with the knowledge and tools you need to get the most out of your health care dollar.
- **Easier ways to invest** — Optum Bank offers a variety of investment opportunities, including Optum Bank self-directed mutual funds as well as Betterment, an automated online financial advisor.

Open your account

Check with your employer or benefits specialist to learn about your company's application process. You may be able to sign up through your employer's benefits enrollment site, or enroll at optumbank.com.



Have questions?

Visit optumbank.com or download the mobile app.

Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.



*Tax savings based on a 25% federal tax rate, 5% state tax rate and 7.65% FICA.

**Based on a 25–35 percent combined payroll and income tax rate.

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