

HEALTH SAVINGS ACCOUNTS

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Health Savings Accounts

- H.S.A.s - Overview
- H.S.A.s - Details
- The High Deductible Health Plan
- Bringing H.S.A.s to the Market
- Conclusion

Overview - What are they and when are they available?

- Tax Exempt Trust Used to Pay Medical Expenses
- Combined with a High Deductible Health Plan (HDHP)
- Available 1/1/2004

Overview - Nifty features

- H.S.A.s are 100% Vested and Fully Portable
- Triple Tax Advantaged
- Broad Eligibility
- Sponsorship Flexibility

Overview - Why I think H.S.As will help tame medical trend

- Currently Little Incentive for Consumers to Efficiently Utilize Health Care Services
- With an H.S.A Consumers Get to Keep the Money They Don't Use
- Consumers Will Have Incentive to Manage Their Health Care Spending

Details - The Health Savings Account

- Assets Must be Held in Trust
- Eligible Trustees
- Allowable Investments
- Disbursement Mechanisms
- Reporting of Contributions and Expenditures

Details - Contributions

- Who Can Make Contributions?
- When Can Contributions Begin?
- When Must Contributions Stop?
- What is the Annual Contribution Limit?
- Form of Contributions
- Discrimination Issues
- Excess Contributions

Details - Distributions

- Qualified Expenses
- Qualified Beneficiary
- When Can Funds be Spent?

The High Deductible Health Plan (HDHP)

- Policyholder
- HDHP Requirements
- Out of PPO Network Penalties
- Preventive Care

Bringing H.S.A.s to the Market

- Selecting an H.S.A Administrator
- Selling the H.S.A./HDHP Concept to the Public
- IRS Response
- Other Issues

Conclusion

- H.S.A. Advantages Over Its Predecessor, the MSA
- It's the Money
- H.S.A s = Savings

Questions?