

# A HEALTH PLAN THAT ALLOWS YOU TO OPEN A HEALTH SAVINGS ACCOUNT.

## High-deductible health plan



Your employer offers a high-deductible health plan (HDHP) through Cigna that allows you eligibility to open a health savings account (HSA) with a financial institution.<sup>1</sup>

The HSA lets you save and accumulate money and use the savings to pay for qualified medical expenses now or in the future. If you change health plans or employers, that money goes with you.

### Features of the HDHP

- ▶ Preventive care covered at 100% when you visit a network health care provider.<sup>2</sup> Not all plans cover out-of-network preventive care so check your plan materials for details
- ▶ Pay coinsurance/copay for all other covered services after you meet the self-only or family deductible
- ▶ Pay deductible and coinsurance/copay using your personal funds or from your HSA
- ▶ Out-of-pocket (OOP) expenses are limited to a maximum amount, which is outlined in your plan's benefit summary

### Features of an HSA

- ▶ You and your employer can contribute tax-free money to your account<sup>3</sup>
- ▶ Savings can be used, tax free, to pay for qualified medical expenses, as identified by the IRS. Use of the savings toward other expenditures will result in penalties and/or taxes
- ▶ Your HSA administrator may offer investment options to help your account grow
- ▶ You may continue to deposit money in the HSA as long as you remain HSA eligible
- ▶ There's no "use it or lose it" rule – the money you save and earnings on your investments are yours to keep, and they remain in the account year to year

### How your HDHP works

With an HDHP through Cigna, you can visit the doctor or hospital that's right for you.<sup>4</sup> And you don't need a referral to see a specialist. However, you'll pay less when you go to an in-network provider.

#### Q. What is a qualified HDHP?

A. A qualified HDHP has an annual network deductible of at least:

	2022	2023
Self-only	\$1,400	\$1,500
Family	\$2,800	\$3,000

The annual network OOP expenses can't exceed:

#### OOP maximums

	2022	2023
Self-only	\$7,050	\$7,500
Family	\$14,100	\$15,000

OOP maximums must include deductibles, coinsurance/copays and other amounts you may pay for covered benefits, but don't include premiums/plan contributions. Preventive care is covered at 100% when you visit an in-network provider.<sup>2</sup>

Together, all the way.®



Offered by: Cigna Health and Life Insurance Company or Connecticut General Life Insurance Company.

**Q. How are medical claims paid?**

**A.** When you receive health care services, your provider submits a claim to Cigna. After we process the claim, the provider sends you a bill for the remaining amount. You can use your HSA funds to pay for the expenses, or you can pay the bill using personal funds and let the HSA grow.

**Q. How do I pay for prescriptions?**

**A.** It's simple; when you pick up your prescription from the pharmacy, you can pay using your HSA checks or debit card. At most network pharmacies, you'll pay the discounted cost of the drug, subject to your medical deductible. Your pharmacy will advise you on what you will need to pay.

**Q. What if my provider wants me to pay at the time of service?**

**A.** Ask your provider to first submit the claim to Cigna to ensure proper discounts are applied. If you must pay at the time of service, you can pay using HSA funds and then submit a claim to Cigna. If you happen to overpay, your provider will reimburse you. You must deposit any reimbursed money back into your HSA, otherwise you're subject to penalties and/or income taxes.

**Q. How do I manage my health plan?**

**A.** At **myCigna.com**, you'll find all the tools and resources you need to manage your plan. You can:

- › Find an in-network provider
- › View claims status
- › Research online health and wellness information
- › Compare hospital quality information and use the prescription drug price comparison tool
- › Check costs for various treatments and procedures

**How an HSA works**

With an HSA, you contribute tax-free money to an account.<sup>3</sup> You can start using the money right away to pay for current qualified expenses or let the account grow over time to help cover future expenses.

**Q. What can I use my HSA funds for?**

**A.** You can use your HSA funds for qualified medical expenses, as determined by the IRS, that aren't covered by your health plan. Some examples include:

- › Deductibles and coinsurance for medical and dental care
- › Prescriptions
- › Vision care, including eyeglasses and LASIK eye surgery

- › Smoking cessation treatment and prescriptions
- › Some insurance premiums, such as for long-term care, COBRA and health care coverage premiums while you receive unemployment compensation

**Q. How do I pay for qualified medical expenses?**

**A.** Contact your HSA administrator about how funds can be withdrawn to pay for certain medical expenses. Generally, a debit card and/or checkbook will be available.

**Q. What if I change health plans?**

**A.** All the money in your HSA is yours to keep. If you are no longer enrolled in a qualified HDHP you will not be able to make any more contributions to the account, but can use the money that has accumulated to pay for medical expenses. If you enrolled in an HSA midyear, and contributed the maximum annual amount, you may be subject to additional taxes and penalties if you don't maintain your HSA eligibility through the following tax year.



**Components of coverage**

**HDHP**

- › Lower premiums/plan contributions compared with traditional health plans
- › Coverage for preventive care<sup>2</sup>
- › Choice of a doctor or hospital within your Cigna network<sup>4</sup>

**HSA<sup>5</sup>**

- › Tax-deductible deposits and tax free growth<sup>3</sup>
- › Use savings to pay for qualified medical expenses, tax free<sup>3</sup>
- › Money is yours to keep, even if you switch employers or health plans
- › Investment options (if offered by your HSA administrator)
- › Withdrawals after age 65 without penalty (taxes will apply)

**Q. Am I eligible to open and contribute to an HSA?**

**A.** Yes, as long as you:

- Are enrolled in a qualified HDHP
- Are not covered by any other medical plan, except what is permitted by the IRS – examples of permitted coverage include dental, vision and long-term care
- Are not enrolled in Medicare
- Cannot be claimed as a dependent on another individual’s tax return
- Are not enrolled in a general-purpose health flexible spending account (FSA) (and neither is your spouse)

**Q. How much can I contribute?**

**A.** Your total annual contribution, plus contributions from any other sources, including any employer contributions, can’t exceed:

	2022	2023
Self-only	\$3,650	\$3,850
Family	\$7,300	\$7,750

If you’re age 55 or older, you can make an additional catch-up contribution of up to \$1,000. If you enroll in an HSA midyear, you can contribute the maximum annual amount; however, you may be subject to additional taxes and penalties if you don’t maintain HSA eligibility through the following tax year.

**Q. When can I make contributions?**

**A.** Contact your HSA administrator for the options available to you. Typically, contributions may be made any time of the year in one lump sum or in payments throughout the year. If you do make your contribution in one lump sum and are no longer enrolled in an HDHP, you need to withdraw any excess to avoid penalties.

**Q. What if I exceed the maximum contribution amount?**

**A.** Excess contributions are subject to income taxes and an additional penalty tax. Regardless of the contribution source, you’re responsible for making sure you don’t exceed the maximum amount allowed by the IRS.

**Q. Are rollover contributions allowed?**

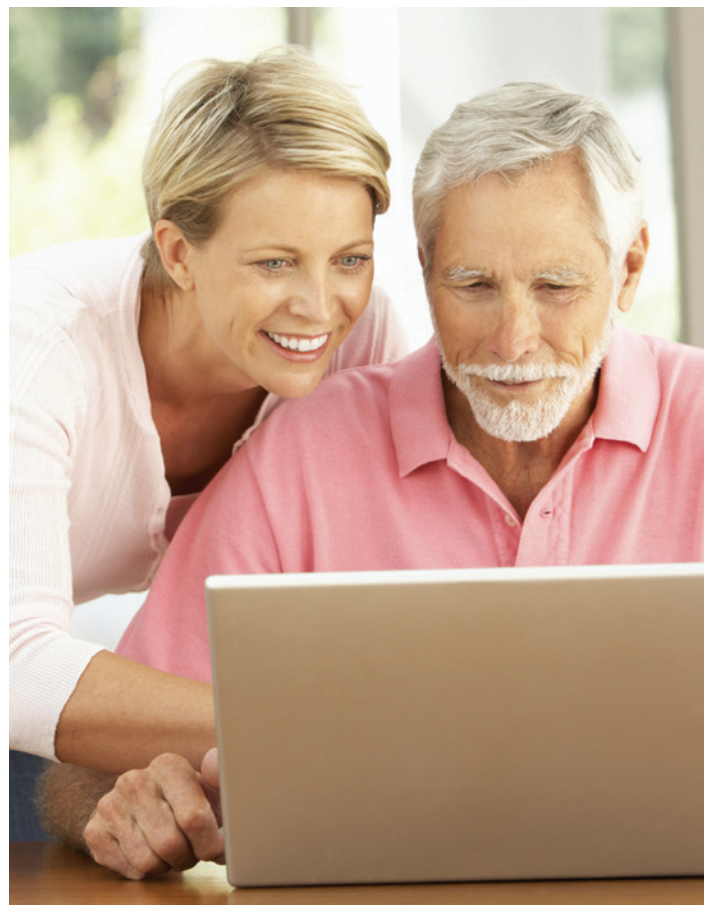
**A.** Yes, in some cases. Rollover contributions from medical savings accounts and other HSAs are allowed and don’t count toward the yearly maximum contribution. Rollovers from an IRA, a health reimbursement account (HRA) or a health FSA may be permitted in certain circumstances. Check with your HSA administrator on options available.

**Q. Can my employer contribute to my HSA? If so, how much?**

**A.** Yes – that’s what’s great about an HSA. Typically, at open enrollment your employer will let you know if and how much they’ll contribute. You can then decide how much you want to contribute, as long as you don’t exceed the maximum amount allowed by the IRS. What your employer contributes will be reported on your W-2 form, but it’s not considered taxable income.<sup>3</sup>

**Q. What happens to my HSA when I die? Does my employer keep the funds?**

**A.** No, your employer doesn’t keep the funds. The HSA will automatically transfer to the beneficiary you elect. If that person is your surviving spouse, they will not be subject to applicable taxes. If the HSA is transferred to a designated beneficiary other than your spouse, the funds are considered taxable income.



**See [irs.gov](https://www.irs.gov), IRS Publications 502 and 969, for additional information about qualified medical expense and helpful information about HSAs.**

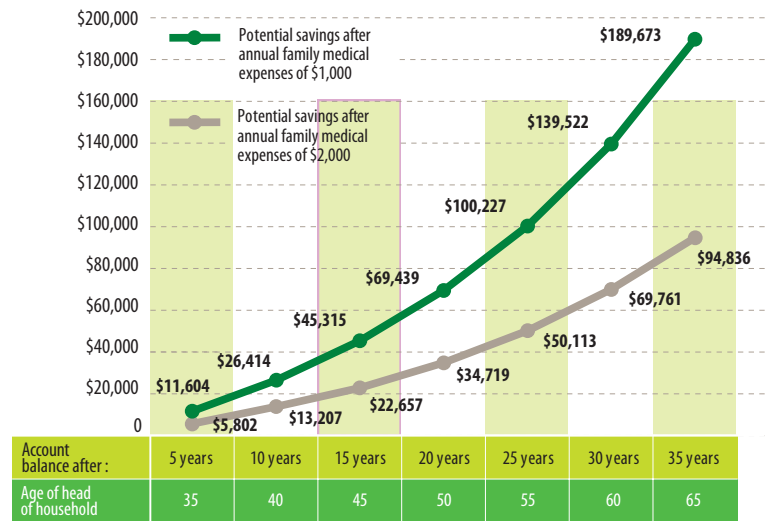
## Consider the savings of an HSA

An HSA lets you take advantage of tax savings, helps you build a cash reserve for medical expenses and allows you to take an active role in your health care decisions. The more involved you are, the more dollars remain in your HSA.

With an HSA comes the opportunity to build savings over time, tax free.<sup>3</sup> The following example illustrates how a family eventually can save more than \$189,000.

This example assumes:

- An HSA for family coverage
- Head of household begins contributing at age 30
- A \$3,000 annual deductible
- A \$3,000 annual contribution
- A 5% rate of return



Over 35 years, a family with average annual medical expenses of \$1,000 can potentially save up to \$189,673. For illustrative purposes only. Individual results will vary and are not guaranteed.

## To get started with an HSA, follow these simple steps

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
<b>Enroll in a qualified HDHP</b>	<b>Establish your HSA</b>	<b>Contribute to your HSA</b>	<b>Start paying for qualified expenses</b>	<b>Watch your account grow</b>
First, complete the medical enrollment form, online or on paper, for the HDHP through Cigna (this is a qualified HDHP that makes you eligible to open an HSA).	If your employer hasn't arranged for an HSA administrator, you can open an account with any HSA administrator of your choice.	Money can be contributed through payroll deductions (if available through your employer) or by sending deposits directly to your HSA administrator.	Pay for expenses using your HSA funds (payment options will vary by HSA administrator) or pay using your personal funds and let your HSA funds grow!	Your account earns interest and you may have investment options available through your HSA administrator. <sup>6</sup>

Contact your HSA administrator for specific rules regarding establishment of your HSA.



Visit [Cigna.com/expenses](https://Cigna.com/expenses) for a full list of eligible expenses.



Our Customer Service Advocates are available 24/7/365. Call 866.494.2111 or the number on the back of your ID card.

1. A financial institution that you choose must be a qualified HSA trustee or custodian.
2. Not all preventive care services are covered. For example, immunizations for travel are generally not covered. Review your plan materials for more information, including a list of covered and non-covered services.
3. HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. A few states do not allow pretax treatment of contributions or earnings. Contact your personal tax advisor for details.
4. Some plans may not include coverage outside of the plan network. Review your plan documents for details.
5. Either your employer may arrange an HSA administrator or you may open an account with an HSA administrator of your choice. The HSA provider and/or trustee/custodian is responsible for its HSA services, transactions and related activities. Cigna and your employer are not responsible for HSA services, administration or operation.
6. Investments are subject to market fluctuation, investment risk, and possible loss of principal. You are encouraged to discuss these strategies with a professional financial planner and tax advisor. Product availability may vary by location and plan type and is subject to change. All group health insurance policies and health benefit plans contain exclusions and limitations. For costs and complete details of coverage, see your plan documents.

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