

# BlueSaver HDHP Plans + Health Savings Account (HSA)



The BlueSaver options are high-deductible health plans (HDHP) that provides medical coverage with lower monthly paycheck contributions than the other options available to you.

When you enroll in one of the BlueSaver plans you can sign up for a health savings account (HSA), administered by **UMB**. The HSA helps you set aside money for current *and* future qualified health care expenses that aren't covered by your medical plan. Kansas City Public Schools (KCPS) contributes to the account each year as long as you're enrolled in the BlueSelect Plus Spira BlueSaver plan — **\$1,080** or the Preferred-Care Blue BlueSaver plan — **\$360**, if you have employee-only coverage. You can make contributions to the HSA too.

When you combine the high-deductible health plan with a health savings account, you have far greater control over how you spend your health care dollars.

## How the BlueSaver plans work

- As with all KCPS – sponsored medical plans, preventive care services such as annual check-ups, immunizations and age-appropriate screenings are covered 100%.
- If you become ill or injured and need medical services and/or a prescription, you pay for those services out of pocket or with the money in your HSA. What you pay reflects rates that have been negotiated with providers by the medical plan carrier—you are not paying retail prices.
- The deductible for BlueSaver plans is \$3,000 for employee-only coverage and \$6,000 for family coverage when you use in-network providers. (The deductible is higher if you use out-of-network providers.) If you reach the deductible, you will pay 20% of health care costs until you reach the out-of-pocket maximum and BlueCross BlueShield of Kansas City pays the other 80%. See the section below for details about how the HSA can help you cover these expenses. If you have health care expenses above and beyond the out-of-pocket maximum (\$4,000 for employee only coverage, \$8,000 for family), the plan will cover 100% of the costs until the end of the plan year.

## Key Terms

**Deductible:** The amount you must pay each year before the plan will begin paying for eligible expenses.

**In-network:** A defined group of providers that supply health care services, usually at a discounted rate.

**Out-of-pocket maximum:** The highest or total amount your plan requires you to pay toward the cost of your health care. Once you reach your out-of-pocket maximum, the plan pays 100% of the costs.

## How HSAs work

After enrolling in one of the BlueSaver plans, you can enroll in the health savings account (HSA), administered by **UMB**. When you do, you choose how much you'd like to save in your HSA each year, and contributions are automatically made from your paycheck to your account. You can change your contribution rate at any time during the year. You can contribute to the account in lump-sum amounts through electronic funds transfers or by personal check through April 15 of the following year—the same day you file your taxes—for the current tax year. And your family members or others can contribute to the account on your behalf.

KCPS also contributes to your account when you enroll in the BlueSelect Plus Spira BlueSaver plan — **\$1,080 annually** or the Preferred-Care Blue BlueSaver plan — **\$360 annually**, if you choose employee-only coverage. These contributions will be deposited into your account **monthly**.

The money in your account rolls over from year to year, so you won't lose your unused balance at the end of the year like you would with a flexible spending account (FSA). Best of all, your HSA balance is yours to keep even if you change medical plans or leave KCPS.

The money you save in your HSA is tax free. The money you contribute isn't taxed, nor is the money taxed as your balance grows. As long as you use the money to pay for qualified medical expenses, you won't pay taxes when you withdraw it either.

**Using your HSA is easy!**

You'll receive a UMB debit card that you can use to pay for qualified health care expenses not covered by the high-deductible health plan. Simply swipe the card at the pharmacy or for other health-related services and the associated cost will be debited from your HSA balance. Or use your card to pay doctor's visit bills once the claim has been submitted to your insurance carrier so that you receive the negotiated rates for services. Save your receipts, since you may need them if the IRS requests that you show proof of how you used your tax-free money. When you cannot use your debit card and you must pay for expenses out of your own pocket, you can reimburse yourself from your HSA.

You can also choose to pay for current expenses out of your pocket and save the money in your HSA to pay for future expenses. How you use your account and when you use it are entirely up to you.

**How the BlueSaver plans and the HSA work together**

<p><b>1. Preventive Care</b> The plan pays 100% in-network, without having to satisfy a deductible. You pay nothing when you receive eligible preventive care services from network providers.</p>	<p><b>2. Deductible</b> You pay 100% until eligible medical and prescription drug bills total the deductible amount.</p>	<p><b>3. Cost Sharing</b> You pay 80% of your bills for eligible expenses (such as doctors, surgeries, lab tests, X-rays, etc.). The plan picks up the rest.</p>	<p><b>4. Full Coverage</b> The plan pays 100% of your costs, once your portion of your eligible annual medical bills adds up to the out-of-pocket maximum.</p>
<p><b>Use your health savings account to cover the deductible and cost sharing</b> You can save tax free and use the money toward your eligible expenses, including your deductible and cost sharing. Or let it grow for the future. You also get FREE money from KCPS.</p>			

## Important Reminders!

### 1. You can open an HSA as long as you meet certain eligibility requirements:

- You must be enrolled in a qualified high-deductible health plan, such as one of the BlueSaver plans.
- You cannot be:
  - Covered by another health plan (for example, a spouse's plan) that is not a high-deductible health plan
  - Eligible for an HSA if you or your spouse also have a medical FSA, unless it is a Limited Purpose FSA
  - Enrolled in Medicare, TRICARE or TRICARE for Life
  - Eligible to be claimed as a dependent on someone else's tax return
  - A recipient of Veterans Affairs benefits within the past three months

**You must open the account yourself.** If you don't, you'll miss out on free money from KCPS — up to **\$1,080** (depending on the plan you choose) — and you will not be able to make pretax contributions. Opening the account is easy! Simply contact a BenefitsDirect enrollment counselor at (833) 672-0064 and tell them you would like to enroll in one of the BlueSaver plans and open an HSA.

### 2. If you have an HSA, you cannot be enrolled in the traditional health care flexible spending account

(including coverage under your spouse's flexible spending account). You may only have a "limited purpose" health care flexible spending account (FSA). Eligible expenses with a limited purpose health care FSA include most unreimbursed dental, vision and/or hearing care expenses (including expenses for your dependents), and out-of-pocket medical expenses you paid after you met your plan deductible.

### 3. KCPS will contribute to your HSA each month. This means you will have access to the full contribution by the end of the year—it will accrue over the course of the year.

### 4. Use your balance only for qualified expenses. You can't take a loan from your HSA. If you use the money in your account to pay for non-qualified expenses, those funds will be subject to income taxes and may also be subject to a 20% penalty. You can find the list of qualified expenses at [www.irs.gov](http://www.irs.gov).

## Choosing the right medical plan for you and your family

### Things to consider

The medical plan options cover many of the same services, but they differ in cost, deductibles, copays or coinsurance, and delivery of care. The right fit depends on your personal situation and your budget.

You might want to consider enrolling in one of the BlueSaver plans if any of the following are true for you:

Your doctors and providers are in the network.

- You are paying for insurance you're not using.
- You want an option to save for current and future health care expenses.
- You want to save on monthly premiums and take more control over how you use your health care benefits.
- You anticipate major health expenses that would exceed the out-of-pocket maximum associated with the BlueSaver plans