

# The value of a High Deductible Health Plan (HDHP)

[geha.com/HDHP](https://geha.com/HDHP)

- 86+ years, started by Railway Mail Carriers
- 2+ million members worldwide
- One of the largest carriers in the FEHB and FEDVIP
- Exclusively Federal / Postal / Annuitants
- Extensive nationwide network of doctors, dentists, hospitals and other providers
- GEHA is your friend in federal





# Brief history of HDHPs

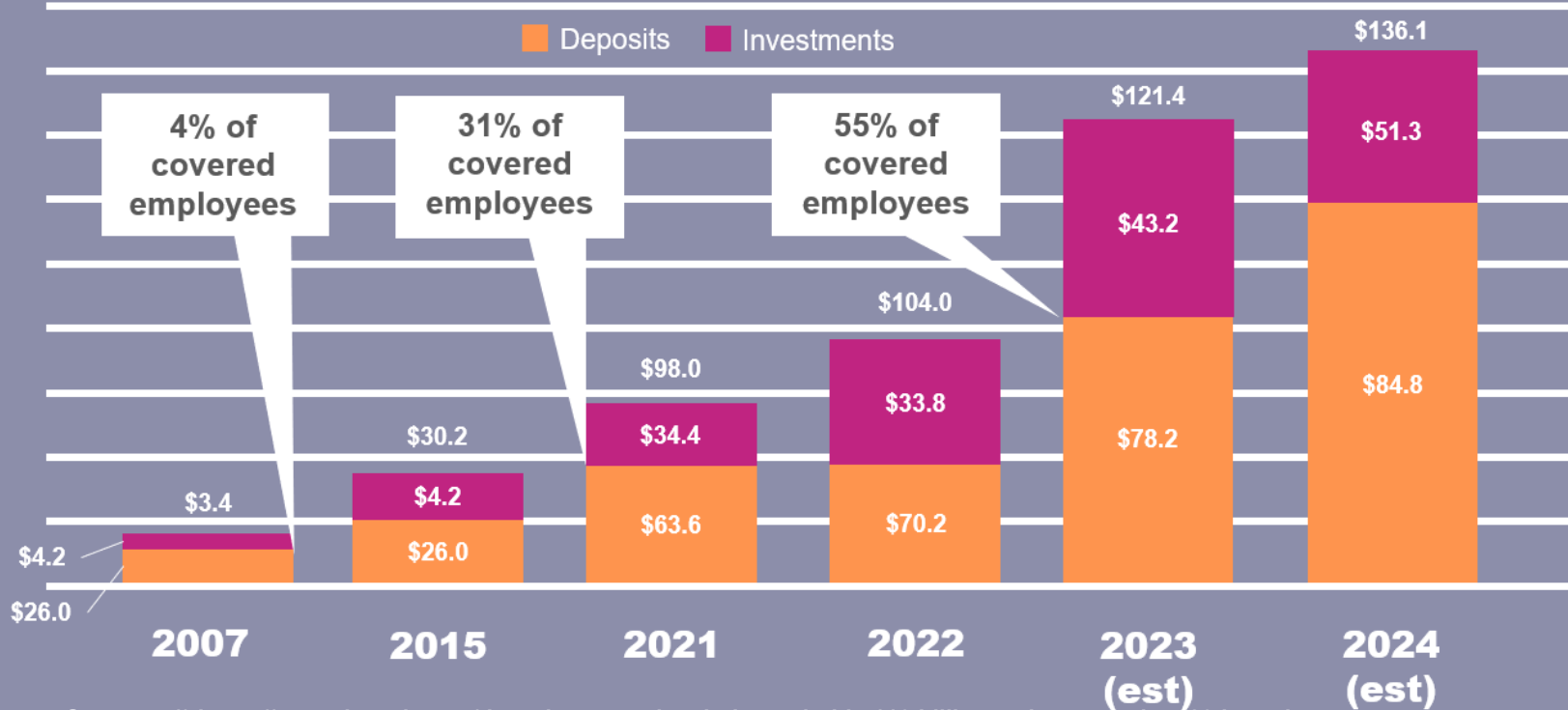
- Created to empower consumers to have more control over spending their health care dollars
- HSAs were approved by Congress in 2003, HDHP enrollment required
- An HSA can be used with an HDHP to pay for qualified medical expenses\*
- HSAs have significant tax advantages. GEHA partners with HSA Bank.
- Not all HDHPs are alike, GEHA has the most popular HDHP in FEHB space

Source: [devenir.com/research/2019-midyear-devenir-hsa-research-report/](https://www.devenir.com/research/2019-midyear-devenir-hsa-research-report/)

\*See IRS Publications 502 and 969 for more information regarding qualified medical expenses, health savings accounts, and health reimbursement arrangements.



# Total HSA assets (in billions of dollars)



Sources: 1) <https://www.devenir.com/devenir-reports-hsa-industry-holds-116-billion-as-it-approaches-20th-anniversary>  
 2) [https://www.valuepenguin.com/high-deductible-health-plan-study#:~:text=Hampshire%20\(5.8%25\).- ,HDHP%20enrollment%20up%20for%208th%20straight%20year,annual%20increase%20in%20HDHP%20enrollments.](https://www.valuepenguin.com/high-deductible-health-plan-study#:~:text=Hampshire%20(5.8%25).- ,HDHP%20enrollment%20up%20for%208th%20straight%20year,annual%20increase%20in%20HDHP%20enrollments.)



## Common HDHP myths

- Unreasonably high deductible
- All benefits subject to deductible
- Not all benefits are covered
- Excessive out-of-pocket maximum
- Only for the young or healthy



# Debunking HDHP myth #1

## Myth number one

- **MYTH**  
HDHPs have an unreasonably high deductible.
- **FACT**  
All HDHP plans in FEHB contribute a portion of the annual deductible to your HSA account, making your “net deductible” lower.



# Debunking HDHP myth #2

## Myth number two

- **MYTH**  
All benefits are subject to the deductible.
- **FACT**  
Preventive services are not subject to the deductible. Many plans have additional benefits not subject to the deductible.





# Debunking HDHP myth #3

## Myth number three

- **MYTH**  
Not all benefits are covered.
- **FACT**  
The same kinds of benefits are covered in an HDHP plan as in most any plan.



# Debunking HDHP myth #4

## Myth number four

- **MYTH**  
The out-of-pocket maximum is excessive.
- **FACT**  
The out-of-pocket maximum is less than on some traditional plans.



# Debunking HDHP myth #5

## Myth number five

- **MYTH**  
HDHPs are only for the young or healthy.
- **FACT**  
Treatments for some chronic conditions are not subject to the deductible. HSAs allow additional contributions for 55+.

# What makes an HDHP an HDHP in 2024?

## 2024 IRS rules

- Minimum deductible of **\$1,600 Self Only / \$3,200 Self Plus One or Self and Family**
- Preventive services with no deductible
- Maximum out-of-pocket expense limit for HDHPs cannot be higher than **\$8,050 / \$16,100**
- Maximum HSA contribution is **\$4,150 / \$8,300**
- Use HSA for qualified medical expenses\*

\*See IRS Publications 502 and 969 for more information regarding qualified medical expenses, health savings accounts, and health reimbursement arrangements.



# Health Savings Account (HSA)

## What are the advantages?

As the most popular HDHP among federal employees, this economical plan is for savvy savers whose focus is on future medical needs. GEHA's HDHP provides you with greater control of your health care dollars through a robust HSA managed by HSA Bank.



## HSA triple tax advantage

1

**Tax-free**  
contributions  
lower your  
federal taxable  
income.

2

**Tax-free**  
growth on interest  
or investment  
gains.\*

3

**Tax-free**  
withdrawals for  
qualified medical  
expenses.

*\*Investment products are not FDIC insured, are not a deposit or other obligation of or guaranteed by HSA Bank and are subject to investment risks. The information provided is for informational purposes only. It should not be considered legal or financial advice. You should consult with a professional to determine what may be best for your individual needs.*

# You qualify for an HSA if you:

- Are covered under a qualifying HDHP like GEHA's HDHP
- You do not have other health insurance coverage other than another high deductible health plan
- Are not enrolled in Medicare Parts A or B or TRICARE
- Have not received non-service-related care from the VA in last 3 months; have not received care from IHS in last 3 months
- Are not covered by a Flexible Spending Account (FSA) or a Health Reimbursement Arrangement (HRA), including on your spouse's plan
- Cannot be claimed as a dependent on someone else's tax return
- Visit [irs.gov/Pub969](https://irs.gov/Pub969) for complete details on eligibility



## **HSA and HRA. What's the difference?**

Once enrolled into Medicare, an HRA account is established and all new deposits (GEHA annual contribution only) are deposited here instead. Funds previously deposited into an HSA remain in the HSA.

# A closer look at HSAs and HRAs

ACCOUNT FEATURES	HSA	HRA
You own the account, and can take it with you if you retire or change jobs	✓	
You own the account*	✓	
Unused money rolls over year to year	✓	✓
Money in your account can grow, tax-free, over time	✓	
Accounts are provided by HSA Bank, with access to investment services	✓	
You can make additional tax-deductible deposits	✓	
No additional personal contributions are allowed		✓
Tax-free withdrawals for qualified medical expenses	✓	✓
GEHA pays your account setup fee and monthly maintenance fee	✓	
No account fees**		✓

\*For the HRA only, if you retire and remain in the HDHP, you may continue to use and accumulate funds in your HRA. If you terminate employment or change health plans, unused funds are forfeited. HSA funds are yours to keep and are portable.

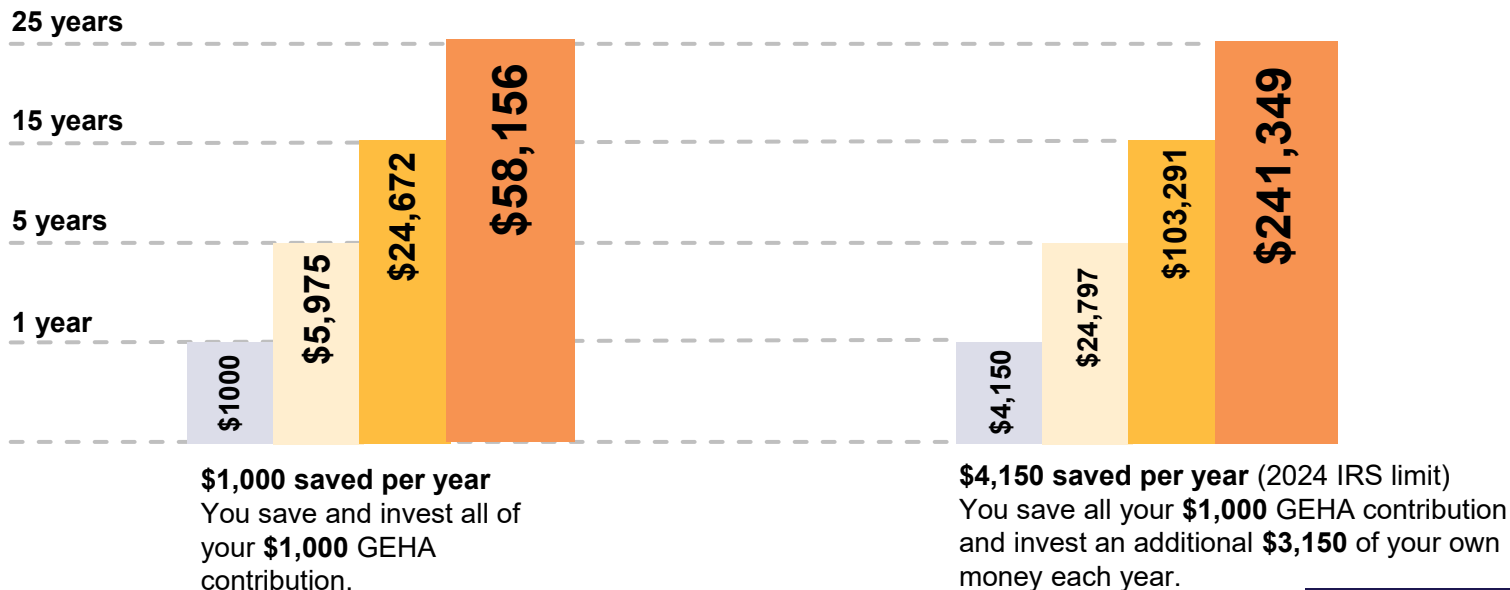
\*\*HSA account fees are covered by GEHA.





# HDHP: HSA funds can be invested

If you don't use your GEHA HSA contribution for qualified medical expenses, you can invest the funds in stocks, bonds and mutual funds, with the added benefit of tax-free growth.\*



\*Growth projections based on 6% annual rate of return, for example only. No guarantee on returns. Visit HSA Bank's Savings Calculator at [hsabank.com/hsabank/learning-center/hsa-savings-calculator](https://hsabank.com/hsabank/learning-center/hsa-savings-calculator)

# Scenario: Enrolled in HDHP for 5 years, then changed to a traditional plan for remainder of federal service

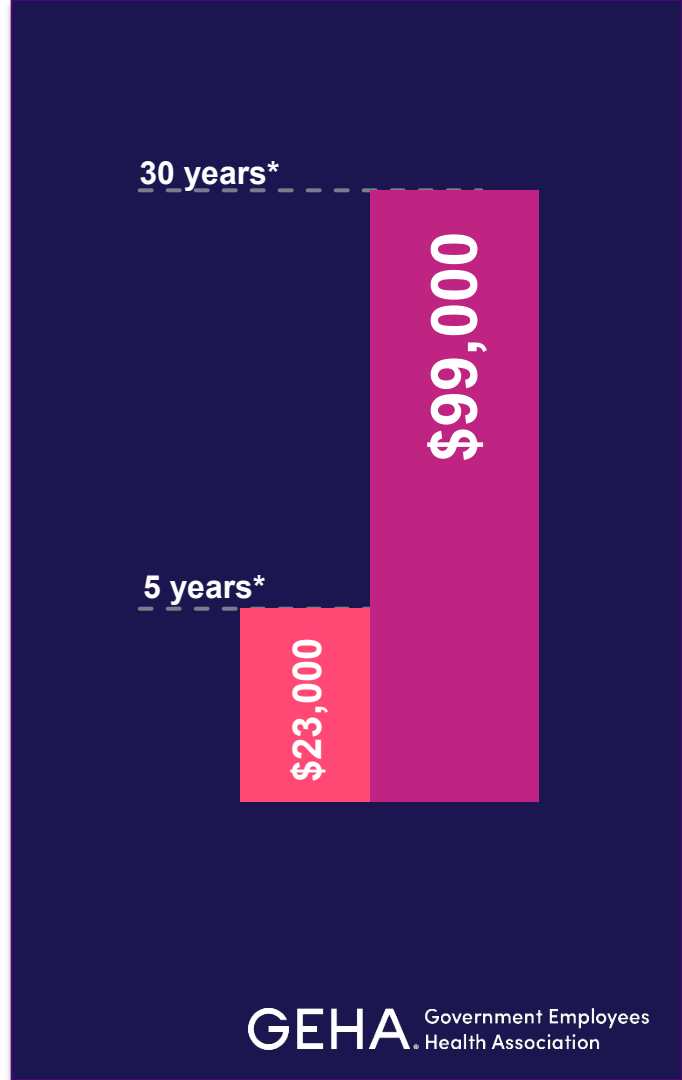
Use funds from a previous HDHP with an HSA for:

- Medicare Part B premiums, tax-free
- Long Term Care insurance premiums, tax-free (IRS limits apply)
- Qualified medical expenses\*\*, tax-free
- Non-medical expenses beginning at age 65 with no penalties (normal tax rate applies)

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Growth projections based on 6% annual rate of return, for example only. Visit HSA Bank's Savings Calculator at [hsabank.com/hsabank/learning-center/hsa-savings-calculator](https://hsabank.com/hsabank/learning-center/hsa-savings-calculator)

*\*\*See IRS Publications 502 and 969 for more information regarding qualified medical expenses, health savings accounts, and health reimbursement arrangements.*





# Boost your retirement savings with an HSA

- Investment options\*, tax-free savings
- **\$1,000** additional contributions, at age 55+
- Continue to use funds tax-free for qualifying expenses
- Use for Medicare Part B premiums, tax-free
- Use funds for anything at age 65, no penalties\*\*



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\*\*See IRS Publications 502 and 969 for more information regarding qualified medical expenses, health savings accounts, and health reimbursement arrangements.



# GEHA HDHP

- Extensive nationwide network and no referrals
- Affordable premiums with low net deductible
- **100%** preventive care, no deductible
- You pay only **5%** for medical care after deductible
- **100%** preventive dental, no deductible
- Enhanced vision benefit with **\$5** annual exam
- Wellness rewards up to **\$250** Self Only / **\$500** Self Plus One or Self and Family

[geha.com/HDHP](https://geha.com/HDHP)

These benefits are neither offered nor guaranteed under contract with the FEHB Program but are made available to all Enrollees who become members of a GEHA medical plan and their eligible family members.



**GEHA** Government Employees  
Health Association



# GEHA's 2024 HDHP

The #1 HDHP choice for federal employees

HDHP 2024 premiums	What you pay biweekly
<b>Self Only</b> Enrollment code <b>341</b>	<b>\$71.45</b>
<b>Self Plus One</b> Enrollment code <b>343</b>	<b>\$153.62</b>
<b>Self and Family</b> Enrollment code <b>342</b>	<b>\$188.78</b>

These rates do not apply to all enrollees. If you are in a special enrollment category, please refer to the FEHB program website or contact the agency or Tribal Employer that maintains your health benefit enrollment.

Self Only example	In-network
• Deductible, you pay	<b>\$1,600</b>
• GEHA contributes <b>\$83.33/month</b> into HSA	<b>\$1,000</b> annually
• Net deductible after GEHA contribution, you pay	<b>\$600</b>
• Out-of-pocket annual maximum, you pay (includes annual deductible)	<b>\$6,000</b>
HDHP 2024 benefits	You pay
• Medical care (5% only after deductible is met)	<b>5% (for real)</b>
• Generic and preferred brand-name prescriptions	<b>25%</b>
• Preventive care, no deductible	<b>\$0</b>
• Preventive dental, no deductible	<b>\$0</b> , twice yearly
• Vision benefit, <a href="https://geha.com/HDHPVision">geha.com/HDHPVision</a>	<b>Included</b>
• Wellness rewards, can be use for additional dental and vision expenses	Earn up to <b>\$250/\$500</b> yearly

\*For 2024, a monthly premium pass through that is not a whole number will have any remaining balance included in the final monthly contribution.

# Health Rewards

## HDHP

Earn up to **\$250** per individual or **\$500** annually per household

Roll over unused funds up to **\$1,250** Self or **\$2,500** Family

HDHP members enrolled in an HSA may only use funds for qualified dental and vision expenses until the yearly plan deductible has been satisfied.

The Health Rewards incentives are changing for 2024. Activities available for rewards include a health assessment, colorectal screening, cervical cancer screening, breast cancer screening and a MDLIVE telehealth visit.

Visit [geha.com/HealthRewards](https://geha.com/HealthRewards) to view your current rewardable activity opportunities.<sup>1,2,3</sup>

1 Restrictions may apply.

2 \$0 out-of-pocket for care coded as preventive with in-network providers.

3 Rewards distributed once claim received from provider (about 4 weeks).

This is a brief description of the features of the HDHP. Before making a final decision, please read the Plan's Federal brochure (RI 71-014), available at [geha.com/PlanBrochure](https://geha.com/PlanBrochure). All benefits are subject to the definitions, limitations, and exclusions set forth in the Federal brochure.



# More about GEHA's HDHP/HSA

GEHA makes monthly deposits into your HSA bank account.

- GEHA contributes approximately half of your premium payment to your personal HSA Bank account
- **\$83.33** per month for Self Only\*\*
- **\$166.66** per month for Self Plus One and Self and Family\*\*
- GEHA pays the setup fee and monthly maintenance fees
- No minimum balance required to invest HSA funds\*
- In 2023, GEHA will contribute **\$55 million** to member HSA accounts
- GEHA members have **nearly \$302 million** in their HSAs!
- If you are new to this plan based on an Open Season change, you'll receive your first GEHA contribution in Feb.



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# Included benefits and savings with no additional premium



**\$5** annual eye exam and coverage for frames and lenses  
[geha.com/HDHPVision](https://geha.com/HDHPVision)



**\$28/month** gives you access to over 12,200 fitness centers nationwide and more than 9,700 on-demand workout videos

## Other savings on:

- Electric toothbrushes and teeth whitening
- Hearing aids and medical alert systems

Learn more at [geha.com/Savings](https://geha.com/Savings)

These benefits are neither offered nor guaranteed under contract with the FEHB Program, but are made available to all Enrollees who become members of a GEHA medical plan and their eligible family members.





# HDHP recap

- Comprehensive medical coverage
- HSA-qualified, triple tax-advantages
- **100%** diagnostic and preventive dental, also includes vision benefit
- Learn more at [geha.com/HDHP](https://geha.com/HDHP) and [geha.com/HSA](https://geha.com/HSA)



Get in touch.  
Visit [geha.com](https://geha.com)



Self Only premium 2024	HDHP What you pay
Enrollment code	341
Biweekly – employed	<b>\$71.45</b>
Monthly – retired	<b>\$154.81</b>

Self Plus One premium 2024	HDHP What you pay
Enrollment code	343
Biweekly – employed	<b>\$153.62</b>
Monthly – retired	<b>\$332.84</b>

Self and Family premium 2024	HDHP What you pay
Enrollment code	342
Biweekly – employed	<b>\$188.78</b>
Monthly – retired	<b>\$409.02</b>

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# Learn more about GEHA and HDHPs

## **GEHA Medical benefits guide**

[geha.com/MedicalGuide2024](https://geha.com/MedicalGuide2024)

## **GEHA HDHP plan brochure**

[geha.com/PlanBrochure](https://geha.com/PlanBrochure)

## **IRS list of qualified expenses**

[irs.gov/pub502](https://irs.gov/pub502)

## **Videos on HSAs & HRAs**

[geha.com/HSA](https://geha.com/HSA)



# Connect with GEHA. A FedViser benefits expert is here to help.

Monday–Friday, 7 a.m.–7 p.m. Central time



Call us at  
[800.262.4342](tel:800.262.4342)



Schedule a 1-on-1 meeting



Chat online

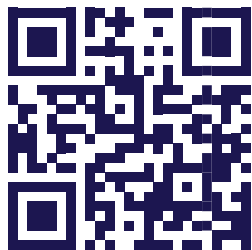


Text from your phone



Get in touch.  
Visit [geha.com](https://www.geha.com)

# Your friend in federal.



## Get in touch with a **GEHA Fedviser**

Get your HDHP questions answered.  
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