

# The value of a High Deductible Health Plan

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

- 85+ years, started by Railway Mail Carriers
- 2+ million members worldwide
- One of the largest carriers in the FEHBP and FEDVIP
- Exclusively Federal / Postal / Annuitants / Military retirees
- Extensive nationwide network of doctors, dentists, hospitals and other providers
- Nonprofit; focused on federal employees

GEHA®

# Webinar tips

- You'll find a PDF of the slides in the Resources list.
- The webinar audio will be played through your computer, no need to mute your device.
- Technical issues:
  - Try refreshing your browser
  - Use Chrome browser for the best viewing experience
  - Email ON24 at [audience.support@on24.com](mailto:audience.support@on24.com)
- If you are joining us during the live webinar and have a benefit related question, use the chat box below.
- If you are watching the recorded version and have a benefit question, visit [geha.com](https://geha.com) and chat with us online or call us at [800.262.4342](tel:800.262.4342).

# Today's presenter



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Sales Manager | DC, MD, VA



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



# Agenda

- What are High Deductible Health Plans (HDHPs) and why were they created?
- Debunking common myths
- What makes an HDHP an HDHP?
- Unique tax advantages and growth potential of Health Savings Accounts (HSAs)
- GEHA's 2023 HDHP benefits and premiums



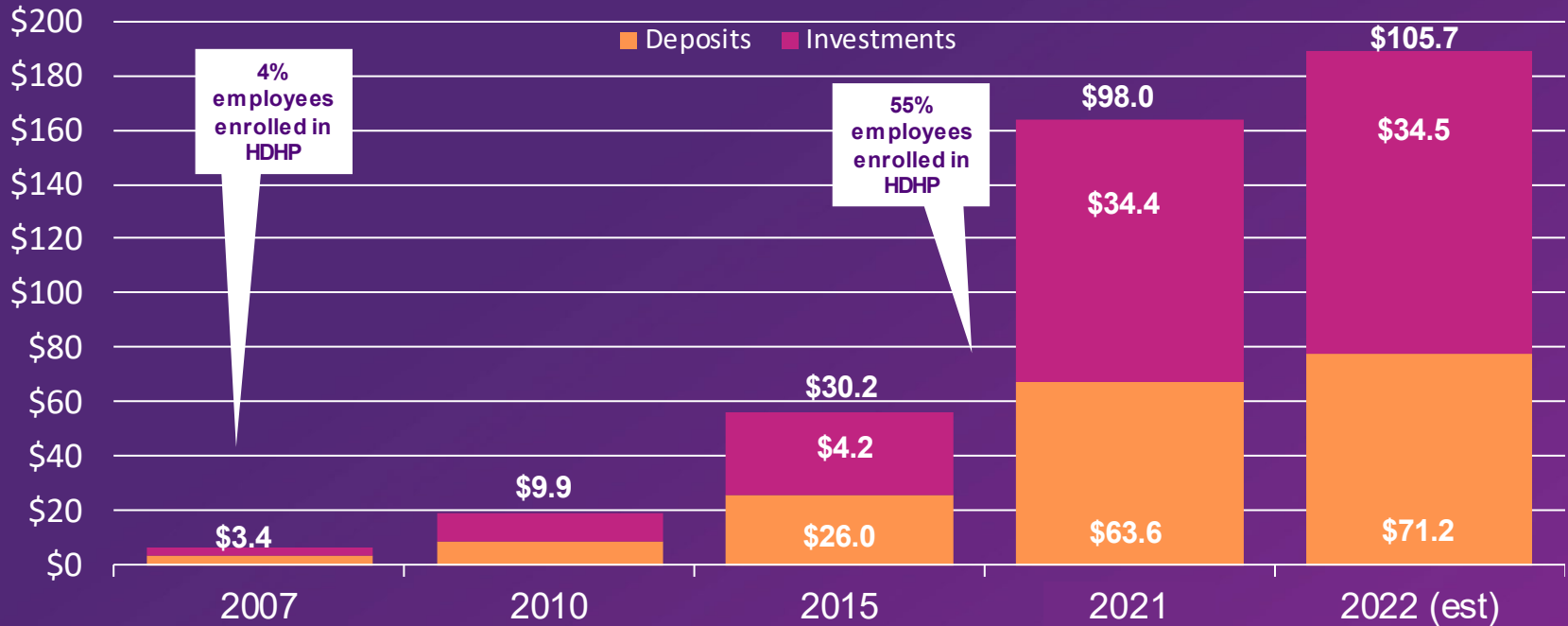
# Brief history of HDHPs

- Created to empower consumers, have more control over spending their healthcare dollars
- HSAs were approved by Congress in 2003, HDHP enrollment required
- HSAs have significant tax advantages
- Not all HDHPs are alike

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



# Total HSA assets (in billions of dollars)



Sources: Kaiser Family Foundation 2020 Employer Health Benefits Survey, Estimates derived from 2021 Year-end Devenir HSA Market survey, press releases, previous market research, and market growth rates. [devenir.com](https://www.devenir.com)



## Common HDHP myths

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

# Debunking HDHP myths #1

## Myth number one

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







# Debunking HDHP myths #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 myths #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 myths #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 myths #5

## Myth number five

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

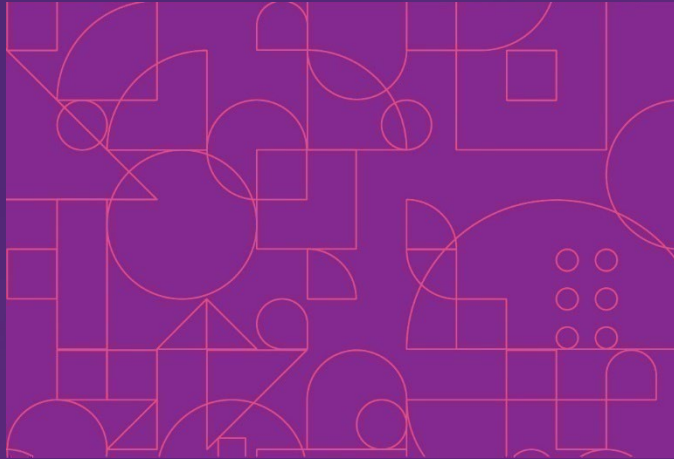
# What makes an HDHP an HDHP in 2023?

- Minimum deductible of **\$1,500 / \$3,000**
- Preventive services with no deductible
- Maximum out-of-pocket expense limit for HDHPs cannot be higher than **\$7,500 / \$15,000**
- Maximum HSA contribution is **\$3,850 / \$7,750**
- Use HSA for qualified medical expenses



# Health Savings Account

What are the advantages?





## 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 returns not guaranteed. Investment products are not FDIC insured, are not a deposit and are subject to investment risks. The information provided is for informational purposes only. It should not be considered legal or financial advice. 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 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 an FSA or an HRA, including on your spouse's plan
- Cannot be claimed as a dependent on someone else's tax return
- Visit [irs.gov/Pub969](https://www.irs.gov/Pub969) for complete details on eligibility





# A closer look at HSAs and HRAs

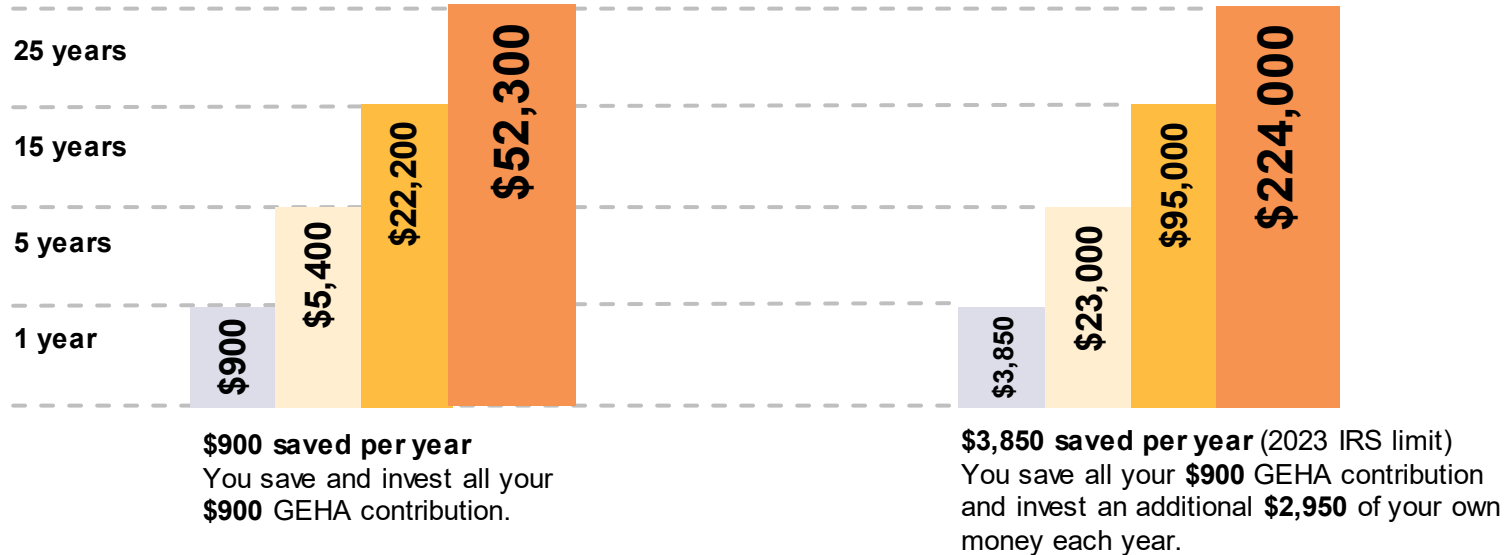
<b>ACCOUNT FEATURES</b>	<b>HSA</b>	<b>HRA</b>
You own the account*, and can take it with you if you retire or change jobs	<b>YES</b>	<b>NO</b>
Unused money rolls over year to year	<b>YES</b>	<b>YES</b>
Money in your account can grow, tax-free, over time	<b>YES</b>	<b>NO</b>
Accounts are provided by HSA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

\*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.



# 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.<sup>1</sup>



<sup>1</sup> Growth projections based on 6% annual rate of return with a 24% federal tax bracket, 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)



# Boost your retirement savings with an HSA

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



\*Investment returns not guaranteed. Investment products are not FDIC insured, are not a deposit or other obligation 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. Consult with a professional to determine what may be best for your individual needs.

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

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

### Use funds from a previous HDHP 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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30 years\*

\$99,000

5 years\*

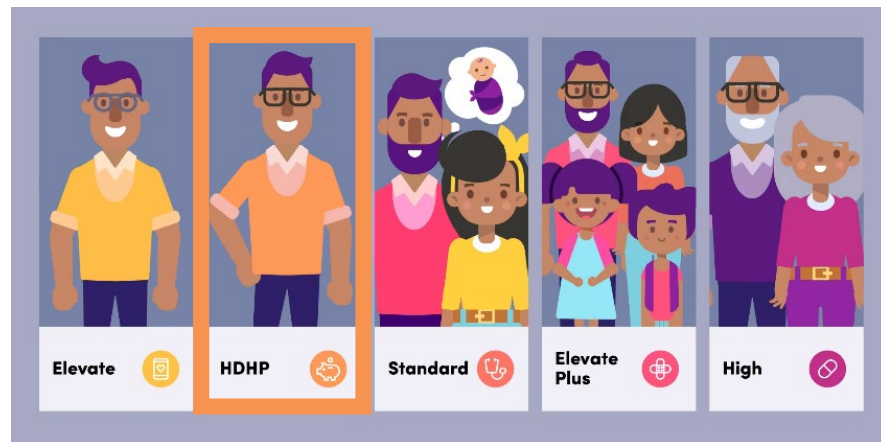
\$23,000



# GEHA 2023 HDHP

(not too good to be true)

- Extensive nationwide network & worldwide coverage with no referrals
- **\$0\*** MDLIVE telehealth and mental health visits
- Affordable premiums with low net-deductible
- You pay only **5%** for medical care after deductible
- **100%** preventive care, no deductible
- **100%** preventive dental, no deductible
- Vision coverage included
- Wellness rewards up to \$250 Self/\$500 Self+

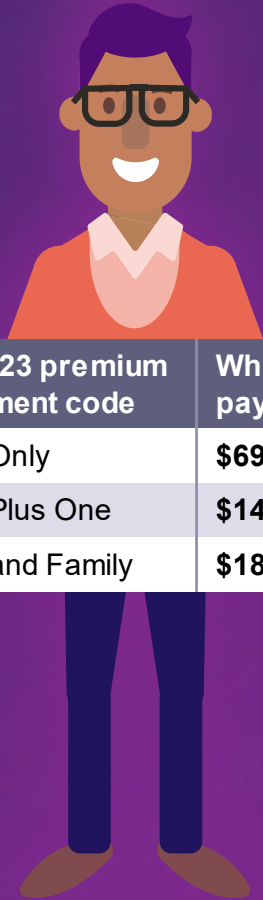


[geha.com/HDHP](https://geha.com/HDHP)

\*Deductible applies. HDHP members who have met their deductible will be charged by MDLIVE, but GEHA will reimburse the member 100% of MDLIVE's charges.

This presentation is a brief description of the features of Government Employees Health Association, Inc.'s medical plans. Before making a final decision, please read the GEHA Federal brochures which are available at [geha.com/Plan Brochure](https://geha.com/Plan_Brochure). All benefits are subject to the definitions, limitations and exclusions set forth in the Federal brochures.

GEHA



# HDHP

The #1 HDHP choice for federal employees

HDHP 2023 premium & enrollment code	What you pay biweekly
341 Self Only	<b>\$69.37</b>
343 Self Plus One	<b>\$149.15</b>
342 Self and Family	<b>\$183.28</b>

Self Only example	In-network
Deductible, you pay	<b>\$1,500</b>
GEHA contributes <b>\$75/month</b> into HSA	<b>\$900</b> annually
Net-deductible after GEHA contribution, you pay	<b>\$600</b>
Out-of-pocket annual maximum, you pay (includes annual deductible)	<b>\$5,000</b>
HDHP 2023 benefits	You pay
Medical care, after deductible	<b>5% (not a typo!)</b>
Generics & preferred brand-name, after deductible	<b>25%</b>
Preventive care, no deductible	<b>\$0</b>
Preventive dental, no deductible	<b>\$0</b> , twice yearly
Vision coverage, <a href="https://www.geha.com/HDHPvision">geha.com/HDHPvision</a>	<b>Included</b>
Wellness rewards, can be used for additional dental and vision expenses, Self/Self+	Earn up to <b>\$250/\$500</b> yearly

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.

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# Health Rewards



## HDHP<sup>1</sup>, Standard and High plans

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

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

Rewardable activity	Rewardable amount
Online wellness workshops	<b>\$10</b> per workshop
Flu shot	<b>\$25</b>
Cervical cancer screening (Pap) Colorectal cancer screening (colonoscopy) Breast cancer screening (mammogram) First trimester prenatal appointment MDLIVE telehealth or mental health visit	<b>\$50</b>
Health risk assessment	<b>\$75</b>
Participation in a targeted health program (by invitation)	<b>\$50–\$250</b>



# More about GEHA's HDHP/HSA

GEHA makes monthly deposits into your HSA bank account.

- GEHA contributes almost half of your premium payment to your personal HSA bank account
- **\$75** per month for Self Only
- **\$150** 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\*
- GEHA members have **over \$250 million** in their HSAs!



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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)



**\$25/month** gives you access to over 10,000 fitness centers nationwide

## Other savings on:

- Electric toothbrushes
- Teeth whitening
- Hearing aids
- Medical alert systems

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

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



**GEHA**



## HDHP recap

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

### HDHP 2023 premiums

Premium & enrollment code	Biweekly	Monthly
341 Self Only	<b>\$69.37</b>	<b>\$150.30</b>
343 Self Plus One	<b>\$149.15</b>	<b>\$323.15</b>
342 Self and Family	<b>\$183.28</b>	<b>\$397.11</b>



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



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.



# Learn more about GEHA and HDHPs

## **GEHA Medical Benefits Guide**

[geha.com/MedicalGuide2023](https://geha.com/MedicalGuide2023)

## **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)



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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)

# Thank you



## Get in touch

Get your HDHP questions answered  
Visit [geha.com](https://www.geha.com)



GEHA<sup>®</sup>