Health Savings Account

How you can pair a health savings account
with a high-deductible health plan

of Tennessee

Three questions to ask if you're considering a high-deductible health plan with an HSA.

1. **What's an HSA and how does it help me save?**

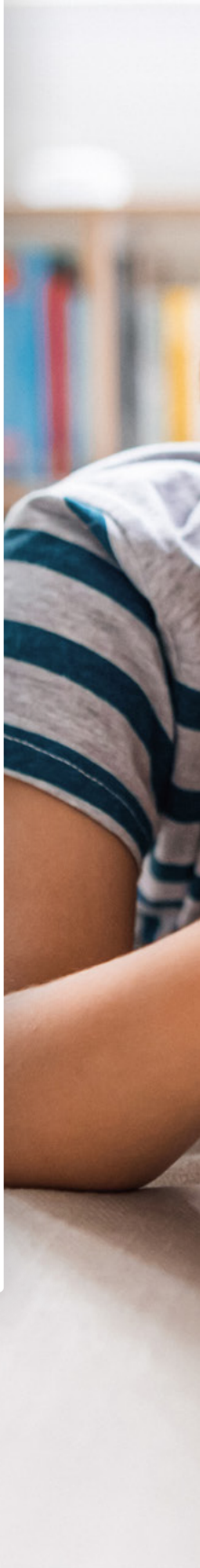
   A health savings account (HSA) is a way for you and your employer to set aside money to pay health care expenses for you and your family. HSAs allow you to save money because you fund them with money that isn't taxed. From year to year, you can use the money you contribute to your HSA to help pay for qualifying future and post-retirement health care expenses.

2. **How is a high-deductible health plan (HDHP) different from traditional coverage?**

   Typically in a high-deductible health plan, you pay more upfront costs. But you can pair it with an HSA funded with pre-tax dollars to offset those costs.

3. **Is an HSA right for me?**

   Whether or not you have a lot of health care expenses, you can pay for qualified health care expenses with tax-free dollars from your HSA.



HSA Advantages

HSAs offer you a smart way to save for health care expenses. The most obvious benefit of an HSA is contributing funds before taxes, but HSAs have other unique financial advantages.

- HSAs don’t have a time limit, so balances roll over each year.
- HSA funds earn tax-free interest.
- You can invest HSA funds.
- HSAs can help in your overall retirement strategy.
- Gains on HSA investments are tax free.
- The funds belong to you, even if you change jobs.

HSA Savings Example*

Jennifer has an HSA-eligible plan for herself, her husband and two children. She contributes $6,000 to her HSA.

Jennifer's Health Plan		
In-network deductible	Out-of-pocket maximum	Health plan pays (network)
$5,000	**$10,000**	**80%**

Her family has $5,500 in health care expenses for the year, which meets her $5,000 deductible. Her health plan pays 80% of the remaining $500 ($400) and she pays 20% ($100).

Starting HSA Balance	Amount Paid to Meet Deductible	Amount Paid after Deductible	HSA Balance to Carry Over	Federal Tax** Savings
$6,000	**$5,000**	**$100**	**$900**	**$1,500**

* This is only an example. Situations will vary based on plan specifics.

** Federal tax savings based on a $6,000 contribution at a 25% federal tax level.

Are You Eligible to Contribute to an HSA?

Your Situation	Eligible to Contribute?
You're enrolled in an HSA-qualified plan only.	**Yes**
You're enrolled in an HSA-qualified plan and in Medicare.	**No**
You're enrolled in an HSA-qualified plan, and your spouse is enrolled in Medicare.	**Yes**
You're enrolled in an HSA-qualified plan, and your spouse is also enrolled in a high-deductible plan through their employer.	**Yes**
You have HSA-qualified family coverage, and your spouse has traditional coverage that includes the children, but not you.	**Yes**
You have HSA-qualified family coverage, and your spouse has traditional coverage and a health care Flexible Spending Account (FSA) or Health Reimbursement Arrangement (HRA).	**No**, regardless of whether you are covered under your spouse's medical plan.
You have HSA-qualified family coverage, and your spouse has family traditional coverage that covers you.	**No**

Setting Up Your HSA

1 Choose an HSA Administrator

You can choose any HSA administrator for your account. (If you want to fund your HSA through payroll deduction, ask your employer which administrators you should use.)

2 Decide How Much to Contribute

Confirm your employer's contribution and decide how much money you want to put in the HSA. See contribution limits below.

3 Ask Your Employer for Tax-Free Payroll Deductions

If you choose to contribute to your HSA through payroll deduction, ask your employer to withhold an equal part of your annual contribution amount each pay period. Contributions are tax free.

2026 IRS Employer & Employee Combines Contribution Limit

- Individuals: **$4,400**
- Family: **$8,750**
- HSA holders age 55 and older can make catch-up contributions **up to $1,000 per year**

2027 IRS Employer & Employee Combines Contribution Limit

- Individuals: **$4,500**
- Family: **$9,000**
- HSA holders age 55 and older can make catch-up contributions **up to $1,000 per year**

Using Your HSA For Health Care Expenses

1. Visit a provider in your BlueCross network.
2. Pay the provider directly from your HSA account or other method. If you choose another method for payment, you can pay yourself back from your HSA. Providers may ask for the entire payment at the time of service.
3. After you reach your deductible, your health plan will cover a percentage of your eligible health care expenses (typically 80% or 100%, depending on your plan).
4. After you reach your out-of-pocket maximum, your health plan will cover care from providers in your network at 100%.

Examples of HSA-Qualified Health Care Expenses*

- Deductibles
- Copays
- Coinsurance
- Prescription medications
- Dental expenses
- Vision care
- Hospital services

* Refer to IRS publication 213(d) for a complete list of qualified health care expenses.

Non-Qualified Expenses

The true benefit of an HSA is the tax break you receive. You won't pay taxes for contributions or withdrawals if you use the funds for qualified health care expenses. While the money in the account is yours, you lose the tax break for any amount you spend on nonqualified expenses. The tax penalty is the standard income tax, plus 20% for people under age 65, except in cases of death or disability.

Reminders About Using Your HSA

Other Premiums

Generally, premiums are NOT HSA-qualified expenses. Here are a few exceptions:

- Qualified long-term care premiums
- COBRA payments
- Premiums for health coverage while receiving unemployment benefits
- Medicare premiums (Medicare Supplement premiums are NOT eligible)

Medicare Enrollment

Before Medicare Enrollment:

You can contribute to your HSA while enrolled in an HSA-qualified plan.

After Medicare Enrollment:

You can no longer fund your HSA, but you can use the money in the account for eligible health care expenses.

Record Keeping & IRS Reporting

Keep a record of all HSA expenses. You'll need to report any HSA funds you use for nonqualified expenses as income when you file your tax returns

* This information is provided for general use and isn't legal or tax advice. Please direct specific questions to your legal counsel or tax professional.

Questions? Call a Coach.

Our Consumer Coaches are happy to help.

If you have questions about:

- Setting up your HSA
- Choosing your health plan
- Using online tools at **bcbst.com**

We're happy to help you.

Please contact us at:
800-527-9206
ConsumerCoach@bcbst.com

Click to Chat
Log in to your online BlueCross account to chat with us.

For other questions about your HSA, please contact your HSA administrator.

BlueCross BlueShield of Tennessee (BlueCross) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex[1]. BlueCross does not exclude people or treat them less favorably because of race, color, national origin, age, disability or sex.

BlueCross:

- Provides people with disabilities reasonable modifications and free appropriate auxiliary aids and services to communicate effectively with us, such as: (1) qualified sign language interpreters and (2) written information in other formats, such as large print, audio and accessible electronic formats.
- Provides free language assistance services to people whose primary language is not English, such as: (1) qualified interpreters and (2) information written in other languages.

If you need these reasonable modifications, appropriate auxiliary aids and services, or language assistance services, contact a consumer advisor at the number on the back of your Member ID card or call 800-565-9140 (TTY: 800-848-0298 or 711).

If you believe that BlueCross has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance ("Nondiscrimination Grievance"). For help with preparing and submitting your Nondiscrimination Grievance, contact a consumer advisor at the number on the back of your Member ID card or call 800-565-9140 (TTY: 800-848-0298 or 711). They can provide you with the appropriate form to use in submitting a Nondiscrimination Grievance. You can file a Nondiscrimination Grievance in person or by mail, fax or email. Address your Nondiscrimination Grievance to: Nondiscrimination Grievance; c/o Manager, Operations, Member Benefits Administration; 1 Cameron Hill Circle, Suite 0019, Chattanooga, TN 37402-0019; (423) 591-9208 (fax); Nondiscrimination_OfficeGM@bcbst.com (email).

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1–800–368–1019, 800–537–7697 (TDD). Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

You can contact BlueCross's Nondiscrimination Coordinator at 423-535-1010 (TTY: 800-848-0298 or 711); Nondiscrimination_CoordinatorGM@bcbst.com (email); or Corporate Compliance, 1 Cameron Hill Circle, 1.4, Chattanooga, TN 37402.

This notice is available at BlueCross's website: bcbst.com.

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BlueCross BlueShield of Tennessee is a Qualified Health Plan Issuer in the Health Insurance Marketplace.

[1] Consistent with the scope of sex discrimination described at 45 CFR 92.101(a)(2))

ATTENTION: If you speak English, free language assistance services and appropriate auxiliary aids and services are available to you. Please call the Member Service number on the back of your Member ID card or 800-565-9140 (TTY: 800-848-0298).

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia con el idioma, así como ayudas y servicios auxiliares adecuados. Llame al número de Servicio de atención a miembros que figura en el reverso de su tarjeta de identificación de miembro o al 800-565-9140 (TTY: 800-848-0298).

انتباه: إذا كنت تتحدث العربية، فستتوفر لك خدمات المساعدة اللغوية المجانية والخدمات والأدوات المساعدة المناسبة. يُرجى الاتصال برقم خدمة الأعضاء الموجود على ظهر بطاقة هوية العضو الخاص بك أو بالرقم 800-565-9140 (الهاتف النصي: 800-848-0298)

注意：如果您說中文，我們提供免費的語言協助服務，以及適當的輔助協助和服務。請撥打會員 ID 卡背面的會員服務部號碼或 800-565-9140（聽障專線 (TTY)：800-848-0298）。

LƯU Ý: Nếu quý vị nói tiếng Việt, quý vị sẽ được cung cấp các dịch vụ hỗ trợ ngôn ngữ miễn phí và các dịch vụ và công cụ hỗ trợ phù hợp. Vui lòng gọi đến số của bộ phận Dịch vụ Hội viên ở mặt sau Thẻ ID Thành viên của quý vị hoặc số 800-565-9140 (TTY: 800-848-0298).

주의: [한국어]를 사용하시는 경우, 무료 언어 지원 서비스 및 적절한 보조 기구와 서비스가 제공됩니다. 가입자 ID 카드 뒷면의 가입자 서비스 전화번호 또는 800-565-9140(TTY: 800-848-0298)번으로 전화하시기 바랍니다.

ATTENTION : Si vous parlez français, des services gratuits d'assistance linguistique et des aides et services auxiliaires appropriés sont à votre disposition. Veuillez appeler le numéro du Service adhérents indiqué au dos de votre carte d'assuré adhérent ou le 800-565-9140 (TTY/ATS : 800-848-0298).

เอ๊าใจใส่: ถ้าท่านเว้ำพาสา พาสาลาว, มีการบໍลิการบ่วยเหຼือด้านพาสา และ การบ่วยเหຼือ และ การบໍลิการที่เหมาะสົมให้ท่าน. กะลุนาโทหาเบิ่ดของฝ่ายบໍลิการสะมาซิกทีมีผู้ด้านหຼังบัด ID สะมาซิกของท่าน ซຶ่ 800-565-9140 (TTY: 800-848-0298).

ማስገንዘቢያ፦ አማርኛ የሚናገሩ ከሆነ፣ ነጻ የቋንቋ እርዳታ አገልግሎቶች እና ተገቢ ረዳት መርጃዎች እና አገልግሎቶች ለእርስዎ ይገኛሉ። በአባልነት መታወቂያዎ ጀርባ ላይ በሚገኘው የአባላት አገልግሎት ቁጥር ወይም በ 800-565-9140 (TTY: 800-848-0298) ይደውሉ።

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlose Sprachassistenzdienste und geeignete Hilfsmittel und Dienstleistungen zur Verfügung. Bitte rufen Sie die Nummer des Mitgliederdienstes auf der Rückseite Ihrer Mitglieds-ID-Karte oder 800-565-9140 (TTY: 800-848-0298) an.

ધ્યાન આપો: જો તમે ગુજરાતી બોલો છો, તો તમારા માટે નિ:શુલ્ક ભાષા સહાય સેવાઓ અને યોગ્ય સહાયક સાધનો અને સેવાઓ ઉપલબ્ધ છે. કૃપા કરીને તમારા સભ્ય ID કાર્ડની પાછળના સભ્ય સર્વિસ નંબર ઉપર અથવા 800-565-9140 (TTY: 800-848-0298) પર કૉલ કરો.

お知らせ：日本語をお話しになる場合は、無料の支援サービスと適切な補助器具・サービスがご利用いただけます。会員IDカードの裏面に記載の会員サービス番号あるいは800-565-9140 (TTY: 800-848-0298)まで、お電話にてご連絡ください。

PANSININ: Kung kayo ay nagsasalita ng Tagalog, magagamit para sa inyo ang libreng mga serbisyong tulong sa wika at kaukulang mga karagdagang tulong at mga serbisyo. Mangyaring tawagan ang numero ng Serbisyo sa Miyembro na nasa likod ng inyong Kard ng ID ng Miyembro o sa 800-565-9140 (TTY: 800-848-0298).

ध्यान दें: यदि आप हिंदी बोलते हैं, तो आपके लिए नि:शुल्क भाषा सहायता सेवाएँ और उपयुक्त सहायक साधन और सेवाएँ उपलब्ध हैं। कृपया अपने सदस्य ID कार्ड के पीछे दिए गए सदस्य सेवा नंबर या 800-565-9140 (TTY: 800-848-0298) पर कॉल करें।

ВНИМАНИЕ! Если Вы говорите по-русски, Вам будут предоставлены услуги языковой поддержки и соответствующие вспомогательные средства и сервисы на бесплатной основе. Позвоните в отдел обслуживания участников по номеру, указанному на обратной стороне Вашей идентификационной карты участника, или по номеру 800-565-9140 (TTY: 800-848-0298).

توجه: اگر به زبان فارسی صحبت می کنید، خدمات کمک زبانی رایگان و مساعدت ها و خدمات کمکی مناسب در دسترس شما هستند. درصورتیکه عضو هستید، با شماره خدمات اعضا در پشت کارت عضویت خود یا 800-565-9140 (TTY: 800-848-0298) تماس بگیرید.

ATANSYON: Si w pale Kreyòl Ayisyen, genyen sèvis asistans gratis pou lang ansanm ak èd pou sèvis oksilyè apwopriye k ap disponib pou ou. Tanpri rele nimewo Sèvis Manm ki sou do kat ID Manm ou an oswa 800-565-9140 (TTY: 800-848-0298).

UWAGA: Osoby posługujące się językiem polskim mogą bezpłatnie skorzystać z pomocy językowej oraz rozwiązań i usług pomocniczych. Prosimy zadzwonić pod numer działu obsługi ubezpieczonych podany na odwrocie karty identyfikacyjnej członka lub numer 800-565-9140 (TTY: 800-848-0298).

ATENÇÃO: Se você fala Português, serviços gratuitos de assistência linguística e recursos e serviços auxiliares apropriados estão disponíveis para você. Ligue para o número de telefone do serviço de Atendimento ao Membro informado no verso de seu cartão de identificação de membro ou para 800-565-9140 (TTY: 800-848-0298).

ATTENZIONE: se parla italiano, sono disponibili per Lei servizi gratuiti di assistenza linguistica nonché aiuti e servizi ausiliari adeguati. Chiami il numero del Servizio per i membri riportato sul retro della Sua scheda identificativa del membro oppure il numero 800-565-9140 (TTY: 800-848-0298).

BAA'áKOHWIINIDZIN: Diné bizaad bee yáníłti'go, t'áá jiik'eh saad bee áka'anáa'awo' bee áka'anída'awo'í dóó t'áadoole'é binahjí' bee adahodooníłígíí diné bich'į' anídahazt'i'í bee bika'aanída'awo'í ná dahóló. T'áá shóódí Bił Ha'dít'éhí Bika'anáa'awo' Bił Ha'dít'éhí ID naaltsoos nitł'ízí bine'dęę' binámboo bee hodíilnih doodago 800-565-9140 (TTY: 800-848-0298).

WICHDICH: Wann du Deitsch schwetzscht un brauchscht Hilf fer communicat-e kenne mer dich helfe unni as es dich ennich eppes koschde zellt. Mir kenne differnti Sadde Schprooch-Hilf beigriege aa fer nix. Ruf der Member Service Number uff die hinnerscht Seit vun dei Member ID Card uff odder 800-565-9140 (TTY: 800-848-0298).

FAASILASILAGA: Afai e te tautala i le faa-Samoa, o loo avanoa mo oe auaunaga fesoasoani mo gagana e aunoa ma se totogi faapea ma fesoasoani fa'aopo'opo ma auaunaga talafeagai. Faamolemole vala'au le numera o le Member Service (Auaunaga mo Tagata Auai) o lo'o i tua o lau pepa ID o le Member (Tagata Auai) po o le 800-565-9140 (TTY: 800-848-0298).

GAKIULA: Gare iga go kapetal Faluwasch, ye toore paliuwal yamem bwe tepangug rel gamatefal lane kapetal Faluwasch. Fale peshem kol yegili nampal Member Service ila yelog liugul tagurul Member ID kard la yam gare 800-565-9140 (TTY: 800-848-0298).

ATENSION: Guaha setbisio siha para hågu yanggen fifino' CHamoru hao, dibåtde na setbision inayudon fumino' CHamoru yan propriu na inasisten tråstes yan setbisio siha. Put fabot ågang i numiron Setbision Membro gi santatten i kattå-mu Member ID pat 800-565-9140 (TTY: 800-848-0298).