



# THE 2024 EASY GUIDE

TO UNDERSTANDING YOUR BLUE SHIELD PPO  
HIGH DEDUCTIBLE HEALTH PLAN with HEALTH SAVINGS ACCOUNT

## THE CLAREMONT COLLEGES





A high deductible health plan with a health savings account is a smart way to finance healthcare costs today while building a nest egg for future healthcare and retirement expenses.





# The plan that gives you more...

The Blue Shield PPO HDHP is a high deductible health plan that gives you:

- **More money** in your pocket by reducing taxes with a tax-free health savings account (HSA)
- **More flexibility** in how you choose and pay for healthcare services
- **More opportunities** to build long-term healthcare and retirement savings



HIGH DEDUCTIBLE  
HEALTH PLAN



Watch the video

# HDHP at a glance

- Higher deductible
- Free in-network preventive care
- Comprehensive medical and prescription drug coverage
- Use tax-free health savings account (HSA) to offset deductible

When you enroll in the HDHP, you may enroll in a health savings account (HSA) funded with tax-free contributions from The Claremont Colleges and you.

Individual: **\$1,000**

Family: **\$2,000**

This is important because with the HDHP you pay for 100% of all medical costs\* (except preventive care) until you reach the annual deductible.

You can use the money in your HSA for your deductible and any other eligible medical expenses you have throughout the year or any time in the future.

Your HSA balance never expires—there's no “use it or lose it” rule. You keep the account even if you leave the company, and any balance earns interest.

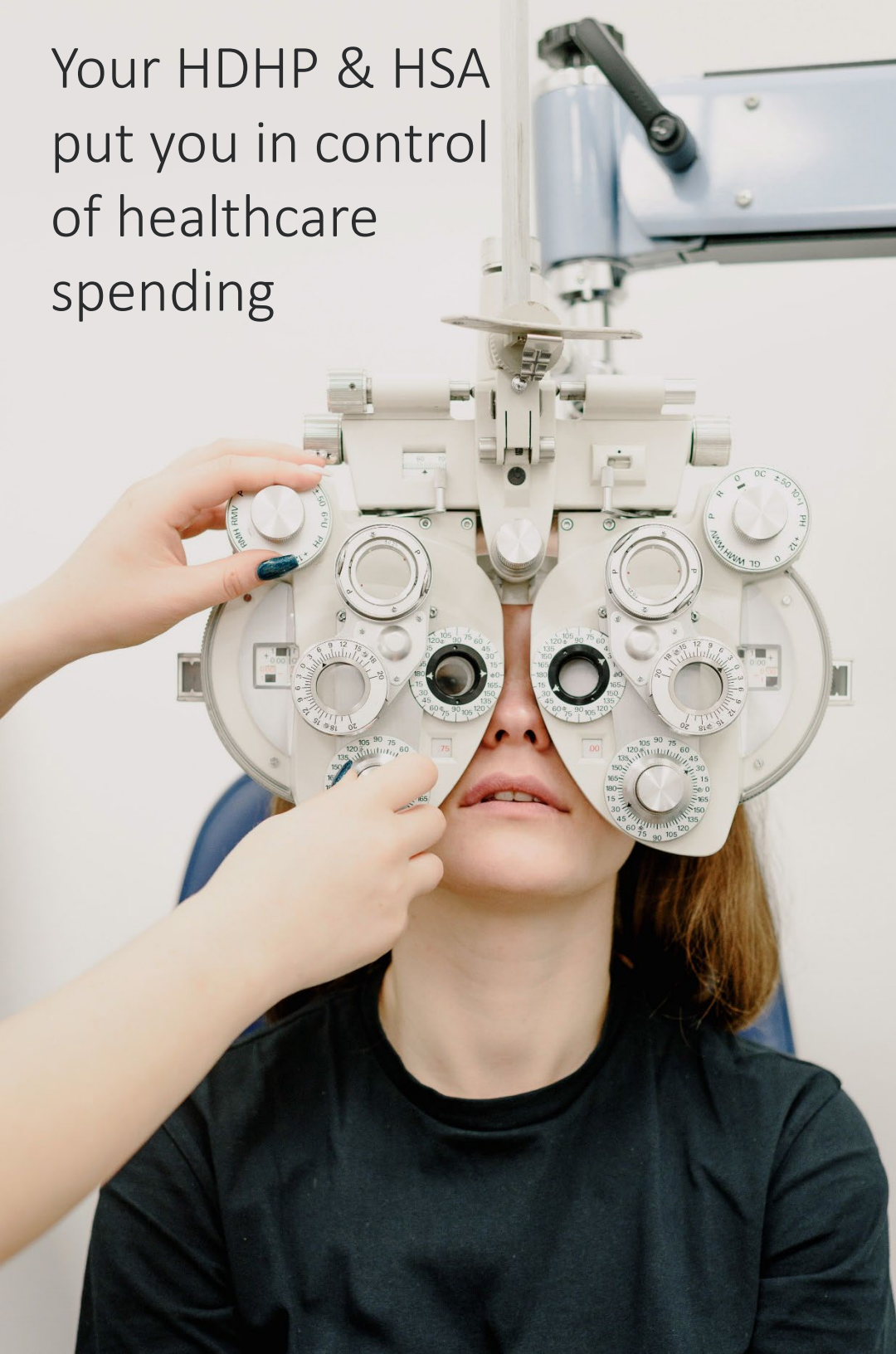
**Note:** you will only receive the employer contribution to your HSA if the account is with HealthEquity. If joining after the beginning of the year, the contribution amount will be prorated. Only non-highly compensated participants (employees who had an annual compensation of less than \$150,000 in 2023) are eligible for the employer contribution.

\*When you use in-network providers, you don't pay 100% of the billed amount. Rather, you pay 100% of the negotiated rate since that provider has a contract with Blue Shield.





# Your HDHP & HSA put you in control of healthcare spending



- Preventive care is a no-brainer. Keep up with your annual checkups without worrying about the cost, since preventive care is fully covered in-network.
- Use your HSA for many different health expenses: regular office visits, prescriptions, lab tests, acupuncture, chiropractic adjustments, even dental care, glasses and contacts.
- You don't have to spend your HSA. If you'd rather save your HSA for a potential large expense down the road, feel free to pay small medical costs from your bank account. If you change your mind, you can always get reimbursed from your HSA later.
- Your HSA gives you flexibility to visit any doctor, hospital or lab of your choice, even out-of-network providers.
- You can shop around. Healthcare is like any other purchase. If you have the time, it pays to shop around for the best quality and price.
- After retirement you will no longer be allowed to *contribute* to your HSA, but you can use your HSA funds to pay for some Medicare expenses including your Medicare Part B, Part D and Medicare Advantage plan premiums, deductibles, copays and coinsurance.


Your annual healthcare needs are unique—just like you.

The HSA takes into consideration the fluctuations most people have in their health care needs. One year you might visit the doctor only for your annual checkup. Another year, you might make several trips to the doctor or even need surgery.

An HSA gives you a multi-year approach to health care planning. Money not spent today can grow in your HSA until that “rainy day” when you need it.







Your HSA helps  
you save on  
federal taxes

**NO TAX**  
on HSA  
contributions

**NO TAX**  
on eligible HSA  
withdrawals

**NO TAX**  
on HSA interest  
and earnings

[Click here for more about federal and state tax savings.](#)



# HOW MUCH CAN YOU CONTRIBUTE TO AN HSA?

2024

## ALLOWABLE HSA CONTRIBUTIONS (PER YEAR)

	Employee Coverage	Family Coverage
Company Contribution	\$1,000	\$2,000
+		
Your Pre-Tax Contributions	\$3,150	\$6,300
=		
IRS Annual Maximum	\$4,150	\$8,300

In addition to the company contribution, you can contribute money to your HSA, up to the total annual amount allowed by the IRS. If you're 55 or older, you can contribute \$1,000 more each year.



Can we talk about the **ELEPHANT** in the room?

What about  
that  
**DEDUCTIBLE?**

A large elephant is standing behind a red leather sofa in a modern living room. The room has a light blue wall, two red floor lamps with large red shades, and two red picture frames on the wall. The elephant's trunk is resting on the sofa. The text "What about that DEDUCTIBLE?" is overlaid on the elephant's body.



## In-Network Plan Highlights

### 2024 Blue Shield PPO HDHP

Preventive Care

PLAN PAYS 100% (In-network)

Before Meeting  
Deductible

YOU PAY 100% (\$2,000 Employee Only / \$4,000 Family)  
*Deductible for any one individual enrolled in family coverage is \$3,200*

After Meeting  
Deductible

YOU PAY 20%

PLAN PAYS 80% (In-network)

After Meeting  
Out-of-Pocket  
Max

PLAN PAYS 100% (After \$3,000 Employee Only / \$6,000 Family)  
*OOP Max for any one individual enrolled in family coverage is \$3,000*

Refer to  
your  
enrollment  
materials for  
additional  
plan details.

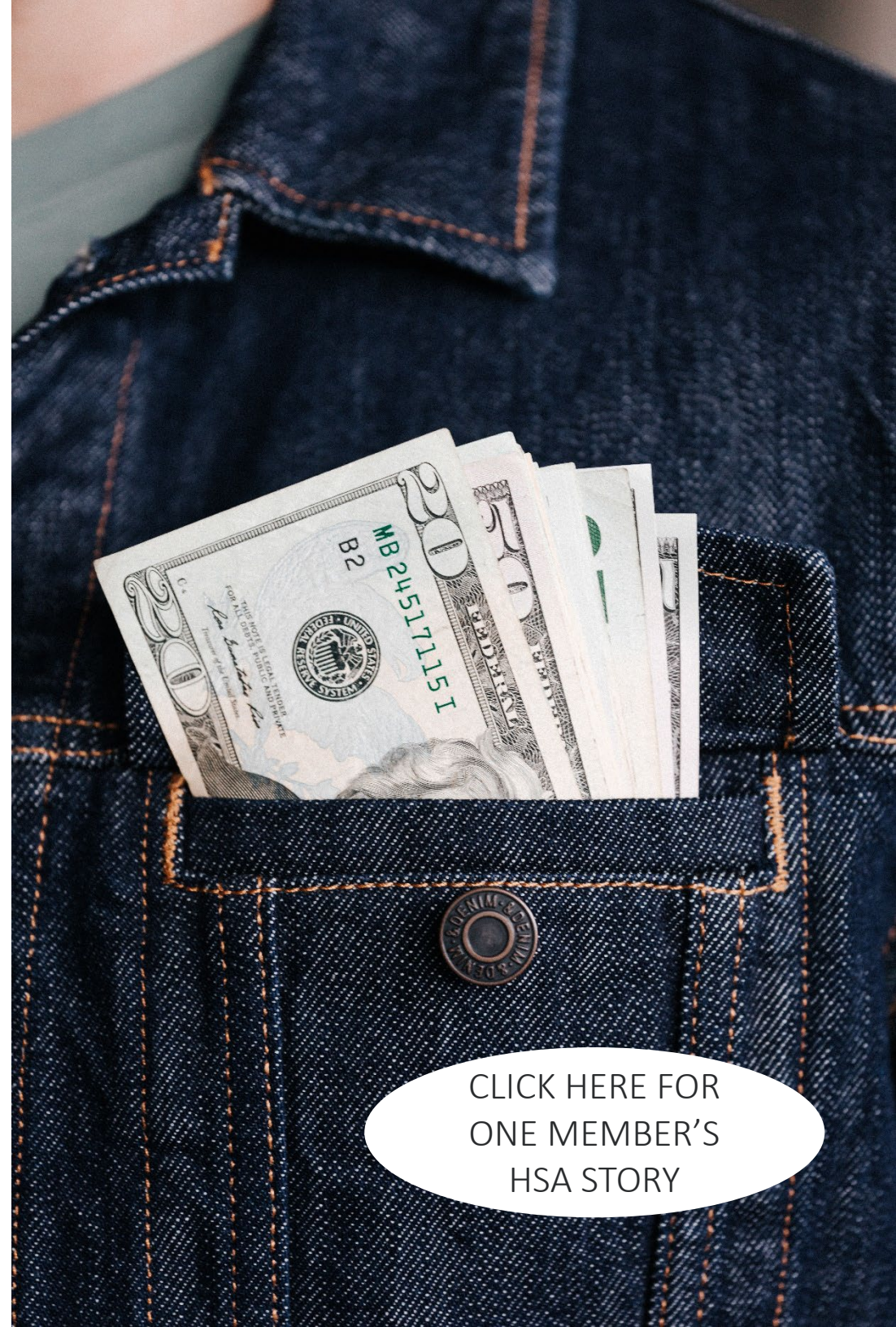




# It all comes back to the HSA...

At first, many people have deductible “sticker shock,” but many features of the HDHP partially or completely offset your deductible and other healthcare costs:

- The Claremont Colleges helps you cover your deductible with contributions to your HSA - **\$1,000** for individual coverage and **\$2,000** for family coverage.
- The IRS sets a generous annual limit on how much you can contribute to your HSA.
- You get significant tax benefits. HSA contributions, withdrawals and earnings are free from federal tax. (A few states tax HSA contributions or earnings.)
- Your HSA balance rolls over every year. What you don't spend continues to grow, with interest.



CLICK HERE FOR  
ONE MEMBER'S  
HSA STORY



Can you give me some examples?



### Candace: Healthy Single Woman

Candace's costs were very low throughout the year. She had her annual checkup (fully covered), and she got an ankle brace after a minor sprain. She did not meet her deductible.

	\$1,000	HSA deposit from The Claremont Colleges
+	\$2,000	Candace's HSA contributions
=	\$3,000	Total HSA Deposits
-	\$500	Urgent care and ankle brace
=	\$2,500	HSA balance rolls over to next year

### Seth: Family Man

Seth covers his whole family. They visited the doctor often because, life happens! Even though his family's expenses were higher, he did not meet his deductible.

	\$2,000	HSA deposit from The Claremont Colleges
+	\$5,500	Seth's HSA contributions
=	\$7,500	Total HSA Deposits
-	\$2,400	Sniffles, sneezes & fevers
=	\$5,100	HSA balance rolls over to next year





## Andre: A Little Too Sick at the Skate Park

Andre usually nails a kick flip, but this weekend he wiped out hard. His knee surgery exceeded his deductible. Here’s how his health plan benefits (employee-only coverage) and HSA worked together to cover his costs.

### HDHP Plan Benefits

	\$2,000	Andre’s in-network deductible
+	\$500	Andre’s additional coinsurance costs
=	\$2,500	Andre’s total out-of-pocket
+	\$4,100	Covered by insurance
=	\$6,600	Total knee surgery cost

### HSA Usage

	\$1,000	HSA deposit from Company
+	\$2,000	Andre’s HSA contributions
=	\$3,000	Total HSA Deposits
-	\$2,500	Paid for medical costs
=	\$500	HSA balance



What ELSE do I  
need to KNOW?





# HSA Eligibility Rules

## For You

To be eligible to make deposits to an HSA:

- You must currently be enrolled in an HDHP.
- You may not be enrolled in any other non-HDHP health coverage, except for accident, disability, dental or vision, or long term care coverage.
- You may not have a general purpose flexible spending account (FSA) or be eligible to use one (such as a spouse's FSA). Limited purpose FSAs, which cover dental and vision expenses only, are allowed.
- You cannot be claimed as a dependent on another person's tax return.
- You may not be enrolled in Medicare, Medicaid or Tricare.

## For Your Adult Dependents

- Your HSA may be used to pay for eligible expenses for you and for your legal tax dependents (people listed on your federal income tax return).
- While you can cover dependent children on your health plan up to age 26, this does not extend to HSA spending. When your adult child is no longer a tax dependent, any HSA distributions for the child would be subject to taxes and penalties.
- If you cover your Domestic Partner on the HDHP, you may each set up an HSA and contribute the full family amount (assuming you are HSA-eligible). However, you may not use your HSA for your partner's expenses (and vice versa).







# How do I pay with my HSA?

You can use your HSA like a checking account to pay for qualified medical expenses as long as you have enough money in your account to cover them. If your provider is billing you, wait until you have a statement from your insurance carrier showing exactly how much of the charge you're responsible for.

## Set Up

HealthEquity makes it easy for you to manage your HSA with an online account through the link or QR code, <https://learn2.healthequity.com/bsc/hsa/>. Please note to open an account with HealthEquity, you must have a physical mailing address (not a P.O. Box).

## Debit Card

You will receive a debit card that you can use at the doctor's office, pharmacy, etc. Use this just as you would a debit or credit card. Charges will be deducted from your HSA account. Log into your online account to order a debit card for your 18+ dependent(s).

## Reimburse Yourself

If you paid your provider out-of-pocket, you can request reimbursement from your account. Login to your online account to request a payment be sent directly to you. Refer to your online account for rules and instructions.

## Online Account Management

After registering your account, you will be able to set up direct deposit to ensure you receive your funds quickly. You can request reimbursements for qualified medical expenses. Easily check your claims activity, including status. Disclosures, account and IRS resources are all housed within your online account. Make planning for care simpler by utilizing HealthEquity's HSA calculator to calculate your contribution amounts and your tax savings.





# Common Eligible Expenses

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limb
- Birth control pills
- Blood pressure monitoring device
- Breast pumps and related supplies
- Chiropractic care
- Dental treatment
- Dentures
- Diagnostic services
- Drug addiction treatment
- Eye examination, eye glasses, reading glasses, contacts
- Family planning items
- Fertility treatment
- Hearing aids
- Hospital services
- Immunization
- Insulin and diabetic supplies
- Laboratory fees
- Laser eye surgery
- Medical testing devices
- Menstrual care products
- Nursing services
- Obstetrical expenses
- Orthodontia (not cosmetic)
- Over-the-counter (OTC) medicine—cold treatments, ointments, pain relievers, stomach remedies, etc.
- Over-the-counter (OTC) treatments—bandages, wraps, medical testing devices, etc.
- Oxygen
- Physical therapy
- Prescription drugs
- Psychiatric care
- Smoking cessation program and medications
- Surgery
- Telehealth services (pre-deductible)
- Transportation for medical care
- Wheelchair, walkers, crutches and canes

How can I spend my HSA?

MORE ELIGIBLE EXPENSES

INELIGIBLE EXPENSES





## Nonqualified Medical Expenses

If you use your HSA for a nonqualified medical expense, you may owe taxes plus a 20% tax penalty on that amount. If you are age 65 or older or disabled at the time, you just pay your regular tax rate but no penalty on nonqualified withdrawal amounts.

## Keeping Records

Keep all your receipts for your HSA transactions for at least three years. This proves that you used your funds for qualified medical expenses and provides documentation in case you are audited by the IRS.

## State Taxes

Most states treat HSA contributions and earnings on a tax-favored basis, just like federal. California and New Jersey do not exclude HSA contributions from income. Contact your tax adviser or HSA administrator for additional information on taxes in your state.

## Excess Contributions

If you contribute over the IRS limit in one year, you will have to pay tax plus 6% on the excess. To avoid additional taxes, you can withdraw the excess amount before the April 15 tax filing deadline or direct the excess toward the next year's contributions.

## HSA Beneficiaries

If you name your spouse as your HSA beneficiary, your spouse will inherit your account and it will become your spouse's HSA. If your beneficiary is not your spouse, the account will no longer be considered an HSA and becomes taxable to the beneficiary.



[MORE INFO](#)



Consult a tax adviser for guidance on how these rules may affect you.



# Helpful Online Resources

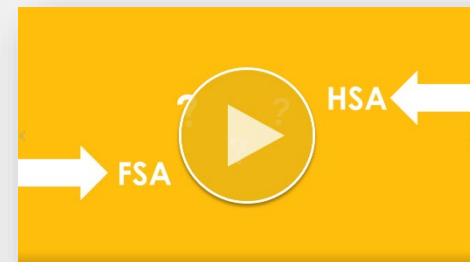
Click below for additional online resources.



High Deductible Health Plan



HSA



HSA vs. FSA

[Enroll Here](#)

Register at  
<https://learn2.healthequity.com/bsc/hsa/>

[Are your doctors in-network?](#)



A man with a beard and dark hair, wearing a grey t-shirt and black shorts, is seated in a silver and red wheelchair. He is holding an orange basketball with black stripes in his left hand. He is positioned in a gymnasium with a wooden floor and a wooden wall in the background. The lighting is bright, and the overall tone is professional and active.

# THE CLAREMONT COLLEGES

If you have any additional  
questions or concerns,  
contact Benefits Administration  
at (909) 621-8151  
or email

[benefits@claremont.edu](mailto:benefits@claremont.edu).

Manage your healthcare finances your way with your HSA.