



THE 2023

# EASY GUIDE

TO UNDERSTANDING YOUR  
HIGH DEDUCTIBLE HEALTH PLAN



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## The Plan that Gives You More...

The Anthem PPO HDHP 3000 is a High Deductible Health Plan that gives you more:

- more money in your paycheck from lower monthly premiums
- more ways to reduce 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

Lower monthly contribution than our other medical plans

Higher deductible

Free in-network preventive care

Comprehensive medical and prescription drug coverage

Use tax-free Health Savings Account (HSA) to offset deductible

## HSA: Your savings partner

When you enroll in the HDHP, you get a Health Savings Account (HSA) funded with tax-free contributions from Sutter County and you.

This is important because with the HDHP you pay for 100% of your medical costs (except for 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.



# Your HDHP and 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.
- Your HSA will save you on your Federal Taxes – California state taxes will still apply.
- 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.



# 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 investment earnings

T A X F R E E

[Some states tax HSA contributions and/or earnings. Click this box for more about federal and state tax savings.](#)





## Your HSA boosts your retirement savings plan

- Your HSA is your long-term health fund. The balance rolls over year after year so you can use it for healthcare expenses 30 days or 30 years from now.
- Your HSA is a smart addition to your retirement savings plan. Your post-retirement healthcare spending will be tax-free when you use your HSA. And after age 65, you can use HSA dollars for non-health expenses too (subject to ordinary income tax).
- You can invest your account balance. After you reach a minimum balance, you can invest your funds, just like a 401(k) or IRA. You have a number of investment options to choose from.



## Is this plan right for ME?

Do you typically only visit the doctor for your preventive tests and exams (mammogram, bloodwork, etc.)?

Do you want more control over your out-of-pocket medical costs and help meeting your annual deductible?

Do you meet your deductible every year?

Do you have very low out-of-pocket medical costs every year?

Are you nearing retirement and looking for another way to bank some tax-free savings?

Do you want to pay less for your monthly medical premium?

Did you answer YES to one or more questions? This plan may be a good match for you.

## 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.





### ALLOWABLE HSA CONTRIBUTIONS (PER YEAR)

## HOW MUCH CAN YOU CONTRIBUTE TO AN HSA?

	Employee Coverage	Family Coverage
Sutter County Contribution	\$962.52	\$1,937.52
+		
Your Pre-Tax Contributions	\$2,887.48	\$5,812.48
=		
2023 IRS Annual Maximum	\$3,850.00	\$7,750.00

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.

**Please note that the information in this presentation does not include the lump sum contribution provided by Sutter County if you are a new enrollee on the High Deductible Health Plan.**





# Important Plan Highlights

**Preventive Care** PLAN PAYS 100% (In-network)

**Before Meeting Deductible** YOU PAY 100% (\$3,000 Employee Only / \$6,000 Family)

**After Meeting Deductible** YOU PAY 0% PLAN PAYS 100%

**After Meeting Out-of-Pocket Max** PLAN PAYS 100% (After \$3,000 Employee Only / \$6,000 Family)



Refer to your enrollment materials for additional plan details.



Can we talk about the elephant in the room?



What about that DEDUCTIBLE?



# It all comes back to the HSA...

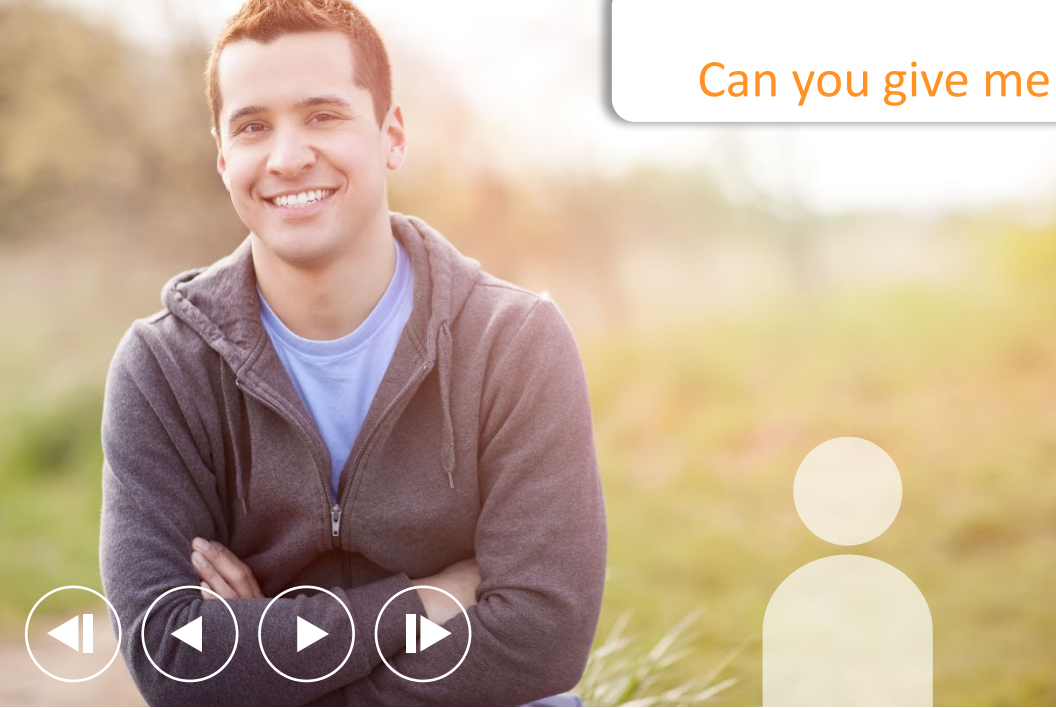


At first, many people have deductible “sticker shock,” but many features of the HDHP partially or completely offset your deductible and other healthcare costs:

- You pay less in premiums, allowing you to use the money you save for other things, including funding your HSA.
- Sutter County helps you cover your deductible with contributions to your HSA.
- 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.



Can you give me some examples?



### Marco: Healthy Single Guy

Marco's costs were very low throughout the year. He had his annual checkup (fully covered), and he got contacts. He did not meet his deductible.

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	\$962.52	HSA deposit from Sutter County
+	\$2,887.48	Marco's HSA contributions
=	\$3,850	Total HSA Deposits
-	\$650	Eye exam and contacts
=	\$3,200	HSA balance rolls over to next year

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### Nia: Working Mom with Family

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

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	\$1,937.52	HSA deposit from Sutter County
+	\$5,812.48	Nia's HSA contributions
=	\$7,750	Total HSA Deposits
-	\$2,600	Sniffles, sneezes & sprains
=	\$5,150	HSA balance rolls over to next year

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# Four easy ways to grow your HSA

- 1 If you will save on monthly premiums by enrolling in the HDHP, put the savings into your HSA.
- 2 If you usually set aside money for medical expenses in a healthcare Flexible Spending Account (FSA), direct those dollars to your HSA instead.
- 3 If you get a pay increase or bonus, direct a portion of it towards your HSA.
- 4 If you haven't maxed out your contributions, make a deposit to your HSA before April 15 for an additional tax deduction.



What else do I  
need to know?



# How can I spend my HSA?

## Common Eligible Expenses

### Medical Services

- Coinsurance/copays
- Lab tests, X-rays, scans
- Ambulance
- Acupuncture
- Chiropractic
- Alcohol/substance abuse treatment
- Fertility treatment
- OB/GYN exams and fees
- Childbirth classes
- Lactation supplies
- Hearing tests

### Dental

- Exams, cleaning, and X-rays
- Extractions and fillings
- Periodontal services
- Oral surgery
- Orthodontia/braces
- Dentures and bridges

### Vision

- Exams
- Prescription eyeglasses, sunglasses, and contact lenses
- Laser eye surgery

### Medical Equipment

- Crutches, walkers, and wheelchairs
- Arches and orthotic inserts
- Syringes
- Nebulizers
- Hearing aids

### Therapy

- Counseling
- Occupational, physical and speech therapy
- Smoking cessation program

[CLICK HERE FOR A DETAILED LIST OF ELIGIBLE EXPENSES](#)



## Over the Counter (OTC) Items

### Eligible without a prescription

- Denture adhesives, repair and cleansers
- Diabetes testing and insulin
- Ear care
- Elastic/athletic treatment
- Contact lens care
- First-aid dressings and supplies
- Foot care treatments
- Hearing aid and other medical batteries
- Incontinence supplies (Depends, Serenity, etc.)
- Pregnancy/ovulation kits
- Prenatal vitamins
- Reading glasses
- Walking aids

### Eligible only with a prescription

- Acne medications
- Allergy, cold, cough, flu and sinus medications
- Antifungal medications
- Baby rash ointments and creams
- Burn remedies, antiseptics and wound cleaners
- Cold sore remedies
- Hemorrhoid remedies
- Homeopathic remedies
- Motion sickness
- Pain relievers, sleep aids and sedatives
- Stomach remedies (anti-gas, acid control, etc.)
- Vitamins and nutritional supplements

## Common Ineligible Expenses

- Cosmetic surgery or procedures
- Electrolysis
- Hair loss medication
- Insurance premiums
- Marriage or career counseling
- Teeth whitening
- Toothbrushes and toothpaste
- Vitamins/supplements

MORE  
INELIGIBLE  
EXPENSES





# 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.

## 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.

## Checks

You can order a checkbook if you prefer to write checks. There may be a small charge to order checks.

## Reimburse Yourself

If you paid your provider out-of-pocket, you can request reimbursement from your account. Refer to your HSA partner's website for rules and instructions.

Go to HSA  
website



# 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 both HSA-eligible). However, you may not use your HSA for your partner's expenses (and vice versa).



# IRS Tax Rules

## Non-Qualified Medical Expenses

If you use your HSA for a non-qualified 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 non-qualified 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 do not tax HSA contributions or earnings. AL, CA and NJ tax HSA contributions. NH and TN tax HSA earnings (but not contributions).

## 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.

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



# Helpful Online Resources

Click on any of the circles to open online resources that have more information for you.

How do Life Events affect your HSA?

Are your doctors in-network?

Compare HDHP to another Plan

Healthcare Cost and Quality Information



# Helpful Online Resources

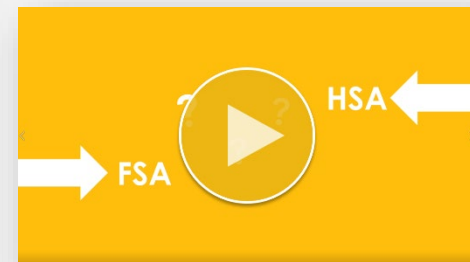
Click below for additional online resources.



High Deductible Health Plan



HSA



HSA vs. FSA

Are your doctors  
in-network?



The EASY Guide to  
Understanding Your High  
Deductible Health Plan is  
brought to you by



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