High Deductible Health Plan (HDHP) & Health Savings Account (HSA)

YOU pay your initial medical claims instead of Cigna. For single coverage, you pay the first $2,000 of medical and prescription costs every calendar year. For family coverage, you pay the first $4,000. For 2025, the College will contribute half of this amount ($1,000 for single and $2,000 for a family) to your Health Savings Account (HSA) on January 1st.

The deductible does not apply to annual preventative care, such as physicals, well-child visits, and well-woman OBGYN visits, which are always free. For all other services, once you reach the deductible, ALL costs for in-network services for the rest of the year, with the exception of prescriptions are free. Once the deductible is met, enrolled participants will have three-tier prescription coverage ($15/$30/$50).

The HDHP uses the same network of providers as the College's POS and EPO plans. While there is some out-of-network coverage on the HDHP, there are significantly higher out-of-network deductibles as compared to the POS plan. If out-of-network coverage is very important to you, you should factor that in to your decision-making about which plan is best for you.

You make tax-free paycheck contributions to your Health Savings Account (HSA) and pay your medical claims from the HSA account. You can contribute up to an IRS-set limit that is higher than the annual deductible amount: $4,300 for singles; $8,550 for families; those 55 and older can contribute an additional $1,000 as a catch-up contribution. These maximum contribution levels are **inclusive of any employer contributions.** If you are 65 or over, in order to enroll in an HSA, you must temporarily suspend your enrollment in Medicare Part A coverage. You cannot be in actively enrolled in Medicare and participate in an HSA. Your Medicare enrollment can be reinstated at any time.

Inspira Financial oversees your HSA. You can pay medical expenses directly from your HSA account using the Inspira debit card, or may reimburse yourself from your HSA for medical expenses that you pay using cash or your regular credit card.

Possible Advantages:

The HSA is a powerful savings tool. As with a flexible spending account (FSA), you tax-shelter paycheck money and use it to pay medical costs. Unlike an FSA, you keep your unused HSA funds, Sarah Lawrence contributes annually to the HSA, and you can change your contribution amount any time you wish. You can use the money any time, tax-free for medical costs, even after retirement. You can even invest your HSA for long-term savings. Once you retire and are on Medicare, you can also use your HSA for any non-medical cost and pay taxes but no penalty, just as you would with a supplemental retirement account (SRA).

- **Note**: **Employees may enroll in both an HSA and a limited-purpose medical FSA. A limited purpose FSA may only be used for dental and vision services.** You may also enroll in the dependent care FSA. If you enroll in the HDHP, you will only be eligible for the HSA while you are on the HDHP plan.

Paycheck savings are possible. The High Deductible Health Plan (HDHP) costs far less per month than the other health plans. You can use this savings to fund the balance of your deductible in your HSA, and once you have "banked" enough in your HSA, you can lower your contribution and just pay the low HDHP premium.

TelaDoc helps with other costs. Use TelaDoc for free phone consults with a doctor. As a substitute for going to a walk-in or primary care office for non-emergency services, TelaDoc can keep hundreds of money in your HSA. If you need to fill a prescription, TelaDoc can give you downloadable coupons valid at your local pharmacy.

Possible Disadvantages:

Until your HSA is funded up, you take a financial RISK. If a large medical claim happens – say, a hospitalization in January – you must be able to pay those costs, either with your HSA or out-of-pocket. This may be of a concern to some individuals while they are building up funds in their HSA. As a reminder, the total in-network deductible on the HDHP is $2,000 individual / $4,000 family, half of which will be deposited into your HSA on January 1 by the College.

You have to keep track of claims. Enrolling in a HDHP requires a commitment to understanding how a deductible works, and some attention to your claims expenses before your deductible is met and medical services are covered in full.