

Learning about

# The PEHP STAR Plan & Health Savings Accounts

Is The STAR Plan  
right for you? Here's  
more information  
to help you decide.



## The STAR Plan: How It Works

The STAR Plan allows you to manage the cost of healthcare based on how you use it.

You take more responsibility for your spending and can save money each year.

Couple your STAR Plan with an HSA to pay for healthcare. You can also contribute tax-free to your HSA and earn tax-free interest.

You must meet your deductible before benefits are paid for non-preventive services, but you're protected from large dollar medical bills.

Contribute to your HSA straight from your paycheck like you would with a 401(k). Contribution limits are: **\$3,100** / individual and **\$6,250** / family (you and your employer combined).

## Your HSA: Savings today, savings for the future



## You Save ...

### On Premium

You'll usually pay significantly less premium for The Star Plan. Check with your employer.

### On Taxes

You can contribute to your HSA. Money goes in tax-free, grows tax-free, and is used tax-free for eligible expenses.

### On Providers

You benefit from the same PEHP group discount and same network of doctors and hospitals as with a traditional plan.

## You Choose ...

### How to Spend & Invest Your HSA Money

Eligible HSA expenses include medical, dental, pharmacy, and vision, as well as anything flex-eligible.

When spending your own HSA money, you're in control. You can spend on any flex-eligible expense, including many healthcare products and services. You don't have to worry about things like visit limits.

Your HSA earns tax-free interest. You choose how to invest your money. Options include a savings account and an umber of mutual funds.

## Your HSA: How It Works

A Health Savings Account is a tax-advantaged, interest-bearing account.

Your money goes in tax-free, grows tax-free, and is spent on qualified health expenses tax-free.

It's a great way to save for health expenses in both the short and long term.

An HSA is like a flexible spending account, but better. You never have to worry about forfeiting HSA money you don't spend.

Money in your HSA carries over from year-to-year and even from employer-to-employer.

You can reimburse yourself at any time for medical expenses you paid with non-HSA funds. There's no time limit. You wait as long as you want to let your HSA balance grow before you reimburse yourself.

## Do You Qualify?

To open or contribute to an HSA, these things must apply:

- » You're not covered by a general-purpose flex account (FSA) or HRA or their balances are \$0 before you open an HSA.
- » You're not covered by another health plan (unless it's another HSA-qualified plan).
- » You're not covered by Medicare or TRICARE.
- » You're not a dependent of another taxpayer.

**Most preventive benefits — those addressed in healthcare reform — will be covered at 100% even before you reach your deductible when you receive them from a contracted provider.**

## Eligible Expenses

Eligible HSA expenses include deductibles and coinsurance, as well as all flex-eligible health expenses. Some examples are listed below. Eligible expenses include those for you and your dependents you can claim on your tax return.

**If someone is on your plan but not considered a dependent for tax purposes, spending from your HSA for this individual is not eligible.**

## Example of Eligible Expenses

FOR A COMPLETE LIST, GO TO [WWW.IRS.GOV](http://WWW.IRS.GOV).



### Medical

- » Acupuncture
- » Alcohol, drug treatment
- » Antibacterial ointment
- » Back supports
- » Band-Aids & bandages
- » Blood pressure monitor
- » Chiropractic care
- » First aid kits
- » Hearing aids & batteries
- » Incontinence products
- » Occupational therapy
- » Orthotics
- » Pregnancy tests
- » Prescription drugs
- » Physical therapy
- » Smoking cessation
- » Speech therapy
- » Thermometers
- » Wheelchairs



### Dental

- » Bridges
- » Crowns
- » Dentures
- » Orthodontia



### Vision

- » Contact lenses
- » Contact lens solution
- » Eye exams
- » Eyeglasses
- » Laser surgery (LASIK)

You get the same PEHP group discount and same network of doctors and hospitals as with a traditional plan.



### Expenses Requiring a Doctor's Note

- » Arthritis Treatment
- » Cold medicines
- » Exercise equipment
- » Hormone therapy
- » Massage therapy
- » Muscle or joint pain reliever
- » Nasal spray for snoring
- » Sleeping aids
- » Vitamins & supplements
- » Weight loss drugs & programs