

You own it. You control it.

Why a Health Savings Account can make good financial sense

Looking for a way to make your health care dollars go further?
A Health Savings Account may be your answer.

A Health Savings Account, or “HSA,” is a tax-free fund that you can set up to work with your ConnectiCare® SOLO High-Deductible Health Plan.

HOW IT WORKS

Your ConnectiCare SOLO High-Deductible Health Plan (HDHP) provides your underlying health coverage. Your HSA can be used to pay for qualified health care expenses. These expenses can include cost-share amounts related to the health plan, such as deductibles and coinsurance. These expenses can also include items not covered by the health plan, such as over-the-counter drugs, eyeglasses, dental fees, prescriptions and other medical supplies.

For 2010, you can deposit up to \$3,050 in your HSA for self-only coverage, and up to \$6,150 for family coverage. These are annual contribution maximums set by the IRS.

THE MOST IMPORTANT ADVANTAGES OF AN HSA ARE:

- **You have more control over your health care spending.**
- **You may have an opportunity to save money.**
- **You can invest your HSA contribution in a tax-free, interest-bearing account that you own.**

When you open an HSA, you fund it, own it and take it with you throughout your career. You can withdraw money tax-free from your HSA to pay for qualified health care expenses incurred by you, your spouse, your children or other dependents, now or in the future.

THE “TRIPLE TAX ADVANTAGE”

Combining an HSA with your ConnectiCare SOLO HDHP can give you a “triple tax advantage”:

1. You can roll over any unused HSA funds from year to year. **This way the deposits to your account earn tax-deferred interest.**
2. The deposits in your HSA are **tax-deductible**. They **reduce your federal income taxes** even if you spend *all of the money* during the year on qualified medical expenses.
3. The **money you spend** from your HSA is tax-free, as long as it's used for qualified medical expenses.

NO COST TO ENROLL

Depending on the administrator you choose, it may not cost you anything to open an HSA, and there is no obligation to fund the account. (However, please note that if you choose to pay for a claim using HSA dollars, *the account must have been opened prior to the date of the claim*. For this reason we encourage members to open an HSA so it coincides with the effective date of their ConnectiCare SOLO HDHP.) If you do choose to open and fund an account, you'll enjoy the advantages of an HSA outlined above.

To help you track the funds in your account, we've selected *First HSA*, one of the nation's leading administrators of HSAs, as our preferred administrator. *First HSA* can manage, administer and service your account.

Note:

- HSAs can only be combined with a ConnectiCare SOLO HDHP. Our ConnectiCare SOLO POS plans are not HSA-compatible.
- Do not open the HSA until your application to a ConnectiCare HDHP has been approved.

A *First HSA* application and information about opening an HSA are available online. Go to www.1hsa.com and click “Electronic Enrollment.” **Remember to select ConnectiCare as your health plan. *First HSA* provides free account setup and monthly account administration for members of a ConnectiCare High-Deductible Health Plan with a *First HSA* account.**

For assistance, you may contact *First HSA* at **888-769-8696**, or your ConnectiCare agent or broker.

Please note that you are free to choose your own HSA administrator if you prefer.

TAKE CHARGE OF YOUR HEALTH CARE

Remember, adding an HSA to your ConnectiCare High-Deductible Health Plan gives you more control over your health care spending. Take charge of your health care and consider enrolling in an HSA today.

Please look at the back of the flyer for Important Information.



Individual health plans
the ConnectiCare way.

HMO coverage is underwritten by ConnectiCare, Inc.; POS coverage is underwritten by ConnectiCare Insurance Company, Inc. This plan is issued on an individual basis and is regulated as an individual health insurance plan. This plan is not available to employer groups.

Important Information

There are instances where your total out-of-pocket health plan costs may be higher with an HSA plan than with a traditional HMO plan. In very rare circumstances, a provider's rate for services paid for in the deductible period may be higher than the provider's billed charges. Also, whether or not an HSA used with a HDHP will provide a member with a tax advantage depends on a number of circumstances, including the member's personal coverage situation, contributions to and withdrawals from the HSA account, other coverage a member or spouse may have, and changes to or interpretations of IRS rules. Members should consult with a qualified tax advisor in determining whether and how this option may provide them with a tax benefit. ConnectiCare cannot guarantee that tax benefits will accrue to anyone covered under a HDHP-HSA plan.