



# How to Choose the Right Health Plan

Are you paying too much for your health plan? The right plan is the one that provides sufficient coverage for you or your family's healthcare circumstances while balancing cost. When comparing a Preferred Provider Organization (PPO) versus a high-deductible health plan (HDHP), there are some simple things you can do to ensure that you're on the path to a healthy financial future.



## Understand Your Deductible and Out-of-Pocket Maximum

When comparing a PPO with an HDHP, it's important not to rule out a plan based on the deductible or out-of-pocket maximum. HSA contributions from both you and your employer will impact your total cost bottom line. Other things to consider are the cost of coinsurance, your annual premium, and co-pays.



## Use the HSA Bank Health Plan Comparison Calculator

This simple tool makes it incredibly easy to evaluate your plan options. For both a PPO and an HDHP, you can estimate various healthcare circumstances so that you can make the best decision for both your medical and financial wellbeing. Visit [hsabank.com/compareplans](https://hsabank.com/compareplans).



## Use Your Current Year's Expenses When Planning for Next Year

When estimating the medical expenses for the upcoming year, reviewing your current year's expenses is a good place to start. This will provide a solid basis for what you might expect in the year to come. You should also consider the lower premium associated with HDHPs.



## When Comparing a PPO with an HDHP, Don't Forget the Tax Benefits of an HSA

1. Contributions to HSAs are not subject to federal income taxes.<sup>1</sup>
2. Earnings to an HSA from interest and investments are tax free.
3. Distributions from an HSA to pay for IRS-qualified medical expenses are tax free. Plus, HSA funds roll over year to year, and never expire.

| Cost Comparison   | HDHP With HSA | PPO |
|---|---------------|-----|
| Deductible  |               |     |
| Co-Insurance Paid<br><i>(to meet Out-of-Pocket Maximum)</i> | +             | +   |
| Out-of-Pocket Maximum                                       |               |     |
| Premium   |               |     |
| Employer HSA Contribution                                   |               |     |
| <b>Total Potential Annual Costs</b>                         |               |     |

*Total costs do not include potential federal, state and Social Security tax savings associated with an HSA.*

*Total costs do not include expenses such as office and prescription co-pays, which may be required after meeting your out-of-pocket maximum.*

### What Do Your Numbers Say?

Take a look at this sample cost comparison to see just how one's numbers can add up when the accountholder meets or exceeds the annual out-of-pocket maximum. When you factor in your and your employer's contributions, as well as the lower premium of an HDHP, you often end up saving with this plan.

<sup>1</sup> Contributions to HSAs may be subject to state taxes in California and New Jersey. For more information, consult with your state department of revenue.



Please call the number on the back of your HSA Bank debit card or visit us at [www.hsabank.com](https://www.hsabank.com)

