



BlueSaverSM Health Account Solutions

Maximize savings and empower your employees

Independence 

Affordable and Flexible Options for You and Your Employees

With rising health care costs and the impacts of health care reform, employers like you need a solution that helps to control your costs, empowers employees to make well-informed health care decisions, and enables them to better manage their medical expenses.

With a high-deductible health plan, or HDHP, you can offer quality health coverage to your employees at a lower cost. This type of health plan is a cost-effective option for you because the employee assumes higher member cost-sharing through a higher deductible in exchange for a lower health plan premium.

When you pair this health plan with a health spending account, the dollars saved by paying a lower premium can be used to contribute to the health spending account. The contribution offsets the higher deductible and is tax advantaged as well. Plus, when your employees are offered health spending accounts to manage, they become more-actively engaged in their health and often make smarter and better-informed health care decisions.

This concept, also referred to as consumer-directed health plans, or CDHPs, can help to maximize your future cost savings even further since employees who manage their own health care decisions tend to spend more wisely.

Why Offer Health Spending Accounts?

When you offer a high-deductible health plan, you're giving your employees quality health coverage. When you combine a high-deductible health plan with a health spending account you can:

- **Save on overall health care costs.** High-deductible plans cost you less because employees take on more cost-sharing, which can be offset with a tax-advantaged health spending account.
- **Save on taxes.** You receive Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA) tax savings when you and your employees contribute to health spending accounts.
- **Encourage employees to become savvy consumers.** Employees play a greater role in managing their health care purchases and using covered services appropriately.

And because they are integrated with HDHPs, health spending accounts are easy for you to offer!

For your employees, health spending accounts are a convenient way to:

- Benefit from tax savings
- Pay for health care services that might not otherwise be covered
- Make well-informed, appropriate health care spending decisions by leveraging resources on ibxpress.com. Employees can track health care spending, compare costs and quality, and even explore online lifestyle-improvement programs.
- Save for future medical expenses



Learn more about how an HDHP paired with a spending account can help you continue to offer the quality health coverage your employees deserve and add cost-effective options to your health benefits package.

Contact your Independence Blue Cross representative, producing agent, or consultant today.



Health spending accounts include Health Savings Accounts (HSAs), Health Reimbursement Accounts (HRAs), and Flexible Spending Accounts (FSAs). See the back cover of this brochure for a comparison of account features.

The Next Generation of Spending Accounts

More Features. Added Value.

If you're already offering a high-deductible health plan combined with a health spending account, you've made a smart choice. You're giving your employees quality health coverage with more control over their health care decisions.

Now, we're bringing you even more features and advanced capabilities with a new suite of industry-leading spending account solutions. We've enriched our offerings to make processing, servicing, and reporting easier and less time consuming while offering you more flexibility and simpler administration for your health plans and spending accounts including:

- A streamlined enrollment process for simultaneous opening of medical and spending accounts
- New online capabilities that simplify group enrollment and reduce ongoing data entry
- More convenient ways to fund accounts
- Robust, online reporting
- Seamless billing through convenient eBill functionality
- The ability to offer your employees multiple accounts at the same time (for example, an HRA, Health FSA, and a Dependent Care FSA)
- A single plan activity statement that combines claim information found in an explanation of benefits (EOB) with the spending account detail of an explanation of payments (EOP)

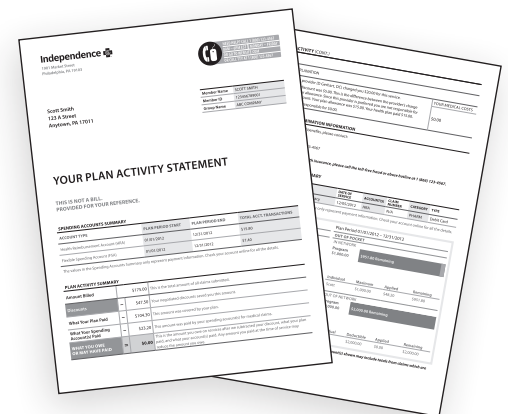
Many Advantages for Your Employees

Independence Blue Cross makes it easy for employees to manage their accounts and make better health care decisions. At ibxpress.com, they can use decision-support tools to compare plan options, estimate treatment costs, compare drug costs, and even create an action plan for better health. They can also manage their account conveniently and easily at any time, day or night. Your employees will also enjoy:

- Direct payment of expenses with a pay-the-provider feature for payment of expenses to the provider of health care products and services
- An effortless claims-submission process with fast turnaround
- A consolidated and easy-to-read plan activity statement that puts EOB and EOP information all in one place
- Real-time account balance, payment, and claims information
- A single debit card for paying everyday medical expenses for all owned spending accounts including HSA, HRA, and Health FSA
- Single-sign-on access to spending account information, including debit card transactions
- Health savings account investment choices that include a wide range of savings and investment options
- HSAs and debit cards with no recurring bank fees



Easier employer administration coupled with a hassle-free employee experience



Straightforward and easy-to-read plan activity statement

Compare Health Spending Accounts Side-By-Side

Use the following chart to compare some of the important differences between health spending accounts.

	HSAs	HRAs	FSAs*
Overview	An account that is owned and managed by the employee. Any unused funds can be saved for future medical expenses.	An account that is owned and controlled by the employer. The employer either makes 100 percent of the HRA available on the first day of the plan year or recognizes a percentage of the employee's HRA total funding throughout the year.	There are two types of FSAs — one that can be used to pay for health care expenses and one that can be elected for dependent care expenses. The employee typically funds FSAs, but employers also have the option to contribute funds.
Can the account be paired with any type of plan?	No. HSAs must be paired with an HSA-qualified HDHP. Qualified status is determined by the Internal Revenue Service (IRS).	HRAs are best paired with high-deductible health plans. The employer chooses member cost-sharing amounts and plan design.	Yes.
Who funds the account?	Employee and/or employer	Employer only	Employee and/or employer
Who owns the account?	Employee	Employer	Employer sponsored for employee
What tax savings are available?	Employee contributions are tax-deductible, withdrawals are tax-free if used to pay for qualified medical expenses, interest and earnings are tax-free as well, and employer contributions are excluded from gross income.	Employer contributions are generally excludable from an employee's gross income.	Employee contributions generally are not subject to federal, Social Security, or most state taxes. Employer contributions are generally excluded from an employee's gross income.
What are the maximum contributions?	IRS sets annual limit and over-age-55 catch-up provision. See www.irs.gov for annual maximum contribution limits.	Independence Blue Cross limits employer contributions to 50 percent of the deductible.	See www.irs.gov for annual maximum contribution limits.
What expenses are reimbursable?	Qualified medical expenses defined by tax code. [†]	Qualified medical expenses defined by tax code [†] and determined by employer.	Qualified medical expenses defined by tax code [†] and determined by the plan.
Do funds roll over to the following year?	Yes.	Employer choice. Includes the ability to cap rollover.	No, unused balances are forfeited at the end of the plan year.
Is the account portable?	Yes, account moves with employee through plan or employer changes and retirement.	Limited. Former employees may have access at employer's discretion.	No, unused funds are forfeited to the employer at end of plan year or upon employee termination.
Is automatic enrollment offered?	Yes, employers may elect to automatically enroll employees in an HSA.	Yes, employers may elect to automatically enroll employees in an HRA.	The employee elects enrollment.

*We also support a limited-purpose FSA to work in conjunction with your HSA. [†]If used for non-qualified medical expenses, subject to current tax rate plus 20% penalty.

Which health spending account or combination of accounts makes the most sense for your company and its employees? For more information, contact your Independence Blue Cross representative, producing agent, or consultant.

The information in this brochure is not intended to provide legal or tax advice. You should consult with your own legal and/or tax advisor regarding the tax advantages of a spending account.