

Understanding the High Deductible Health Plan and Health Savings Account



Agenda

- Choosing your plan
- Overview of High Deductible Health Plan (HDHP)
- Overview of Health Savings Account (HSA)
- HSA Investments 101
- Contribution Comparison
- Tools and Resources
- Questions



Choosing your plan



Plans at a glance

All plans include:



Access to one of the nation's largest networks of doctors and hospitals.



A prescription drug plan with convenient home delivery.



Convenient digital access to virtual care and plan details online and from your mobile device.



Benefits for urgent and emergency care, wherever you are.



Coverage for preventive care, including regular checkups, screenings, and shots.



Health and wellness tools that help you stay healthy and reach your health goals.





Know your healthcare basics



Copay

A flat fee you pay for covered services like doctor visits.



Deductible

The set amount you pay before your plan begins to share the cost for covered health services.



Coinsurance

The percentage of the cost you pay for care, after you pay your deductible.



Out-of-pocket limit

The maximum annual amount you pay for covered services. Once you reach that limit, your plan covers the rest. Your copays, deductible, and coinsurance count toward your out-of-pocket limit.





Before choosing a plan

- **Consider**
- **Compare**
- **Check**

Consider your personal situation.

Compare costs: monthly premiums, deductible, coinsurance, copays, out-of-pocket limit.

Check if your doctors, hospitals, and other healthcare professionals are in the plan's network.



HDHP Plan Overview



Qualified High Deductible Health Plan (HDHP)



Key features

Lower monthly premiums.

Health spending account (HSA) lets you set aside pretax dollars to pay for qualified healthcare expenses.

Savings up to 30% on out-of-pocket expenses, due to tax savings on funds in the HSA.

Protection from catastrophic medical expenses.

No referral needed to see specialists.



Plan basics

		HDHP w/HSA
Medical plan		In-Network (Employee Pays)
Deductible	Individual	\$3,400
	Family	\$6,800
Out-of-Pocket	Individual	\$4,000
	Family	\$8,000
Preventive Care*		0% Coinsurance
Doctor Visits	PCP and Specialists	0% Coinsurance AD
Lab and X-rays		0% Coinsurance AD
Advanced Diagnostic Imaging	MRI, CT, PET (Pre-authorization required)	0% Coinsurance AD

Out-of-Network Coverage: \$3,400/\$6,800 Ded; 30% coinsurance AD; \$6,000/\$8,000 OOP

*Annual physical exams, immunizations including flu/pneumonia/COVID-19 shots, and childhood vaccines, routine mammograms and other preventive services.

AD = After Deductible



Plan basics

		HDHP w/HSA
Medical plan		In-Network (Employee Pays)
Emergency Room	Facility and Providers	0% Coinsurance AD
Outpatient Hospital	Facility and Providers	0% Coinsurance AD
Inpatient Hospital	Facility and Providers	0% Coinsurance AD
Mental Health	Facility and Providers	0% Coinsurance AD
Prescriptions Drugs Base Network National Direct Plus Formulary	Tier 1 Typically Generic	\$10/ \$10/ \$30* AD
	Tier 2 Typically Preferred Brand	\$30/ \$60/ \$90* AD
	Tier 3 Typically Non-Preferred Brand	\$55/ \$165/ \$165* AD

*30 day retail / 90 day home delivery / 90 day retail
Out-of-Network Coverage: \$3,400/\$6,800 Ded; 30% coinsurance AD; \$6,000/\$8,000 OOP
AD = After Deductible



Virtual care Telehealth

Connect with care anywhere.

Medical visits

- Telehealth appointments on your mobile phone, tablet, or computer with a camera.
- Board-certified doctors available 24/7 for advice, treatment, and prescriptions.
- Cost is \$0 (Deductible does not apply)

Mental Health visits

- Appointments with licensed therapists or psychiatrists
- Appointments available 7 days a week.
- Cost \$0 (Deductible does not apply)

To make a virtual care appointment, go to anthem.com or Sydney Health, and choose **Virtual Visit With A Provider** under **Care**.





Virtual Care

Commonly Treated Medical Conditions

- Abrasions, minor wounds
- Acne
- Asthma
- Allergies/allergic rhinitis
- Back pain
- Cough/Cold
- Diarrhea
- Ear pain
- Fever
- Headache/migraine
- Incontinence
- Influenza/flu
- Nausea/Vomiting
- Pinkeye and other eye infections
- Rashes/skin disturbances
- Sinus infection
- Sore throat/pharyngitis
- Sprains and strains
- Tooth pain
- Urinary tract infection



Virtual Care

Commonly Treated Behavioral Health Conditions

- Stress
- Anxiety
- Depression
- Relationship troubles
- Parenting issues
- Grief
- Panic attacks
- Coping with an illness
- Bipolar Disorder
- Obsessive Compulsive Disorder
- Post-Traumatic Stress Disorder



Virtual primary care

Access to routine care and chronic condition management

Services available through the Sydney Health app

Virtual primary care includes preventive care, wellness checks, lab work referrals, new prescriptions and refills, specialist referrals, and care management for conditions, including:¹

- Asthma
- High blood pressure
- Diabetes
- High cholesterol
- Heartburn or GERD²
- Migraines
- Irritable bowel syndrome
- Musculoskeletal issues

Appointment hours

- 9 a.m. to 9 p.m. ET, Monday through Friday
- 9 a.m. to 5 p.m. ET, Saturday and Sunday

Member cost share is \$0
(Deductible does not apply)



HSA Overview



Health Savings Account (HSA)

- A tax-advantage savings account combined with a qualified High Deductible Health Plan (HDHP).
- Contributions are 100% tax deductible.
- Withdrawals to pay for qualified medical expenses, including dental and vision, are never taxed.
- Interest earnings accumulate tax-deferred, and if used to pay for qualified medical expenses, are tax-free.
- All funds in the account belong to the account owner, the employee.

Triple tax advantage

Your money goes in tax free.

Your money earns interest tax free.

Your money comes out tax free for eligible healthcare expenses.



What does the HSA cover?

You can use an HSA to pay for qualified healthcare expenses:



Medical



Medications
(prescriptions and certain
over the counter)



Vision



Dental

For a detailed list of qualified medical expenses, visit qme.anthem.com,
or go to *Publication 502: Medical and Dental Expenses* at irs.gov.

Other qualified expenses:
Long Term Care insurance premiums
COBRA premiums
Medicare premiums



Who Can Establish and Contribute to an HSA?

To be eligible to open an HSA, you must meet these criteria:

- You must be covered under a qualified high deductible health plan (HDHP) on the first day of the month.
- You have no other health insurance.
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You cannot be claimed as a dependent on someone else's tax return.
- You have not received Veterans Affairs (VA) benefits within the past three months, except for preventive care. If you have a disability rating from the VA, this exclusion does not apply.
- You do not have a general-purpose health care flexible spending account (FSA). This includes a spouse's FSA. A limited-purpose FSA may be permitted.



Making Contributions to Your HSA

- The IRS 2026 annual contribution limits are:
 - \$4,400 for single coverage
 - \$8,750 for family coverage (employee + one or more family members)
- If you're 55 or older, you can contribute an extra \$1,000 a year.
- There are several ways you can contribute to your HSA:
 - Tax-free through payroll deductions
 - Post tax by personal direct deposit
 - Anyone may contribute to your HSA including you, your employer, family members or any other person.

It is your responsibility to ensure the total of your contributions do not exceed the IRS maximum.



Making Contributions to Your HSA

- You determine the pretax amount taken out of your paycheck.
- Payroll contributions are made based on employer's schedule. (see next slide)
- You can change your contribution amount at any time.
- Go to Employee Direct Access to make a change your contribution amount.



Employer Contributes to Your HSA

To help employees build their HSA fund, and to help cover expenses subject to the Plan's deductible, Henrico County and Schools will contribute to your HSA account:

- 2026 Calendar Year
 - \$1,500 maximum for single coverage
 - \$3,000 maximum for family coverage (employee + one or more family members)
- Employer contributions are made as follows:
 - Henrico County Government – bi-weekly and skips months that have a 3rd pay
 - Henrico County Public Schools – semi-monthly throughout the year



Additional Information About HSA's

- Funds must be accrued in the account before they can be used for reimbursement.
- Funds not used for qualified expenses are subject to income tax and a 20% tax penalty until you reach age 65.
- Age 65 or older, funds not used for qualified expenses are subject to income tax but not the 20% tax penalty.
- The account balance is portable upon retirement or termination from employer.
- HSA owners must file Form 8889 with your tax return.



HSA Administration

Services provided by your HSA administrator, HealthEquity:

- Debit card
- Quarterly account statements
- Online account access through www.healthequity.com or HealthEquity mobile app.
- 24/7/365 customer services at 1-866-346-5800
- Year end tax forms.
- Option to invest in Vanguard mutual funds (minimum balance of \$1,000 required).

Employee may be subject to fees associated with their HSA i.e. paper statement, investment account fee.



The Wilson family's HDHP / HSA plan

\$4,200 annual contribution

\$3,000 employer contribution + \$100 per month employee contribution

Expenses		HSA balance
Preventive visits and lab tests	Covered at 100%	\$4,200
Physical therapy	\$800	\$3,400
Prescription drugs	\$200	\$3,200
HSA rollover to next year		\$3,200
HSA funds eligible to be invested		\$2,200





The HDHP and HSA Work Together



High Deductible Health Plan



You are responsible for covered medical and prescription drug costs until you meet your annual deductible.

Then in-network medical expenses are covered at 100% and you are responsible for prescription drug copays until you meet your maximum out-of-pocket limit.

Once you meet your maximum out-of-pocket limit, the plan pays 100% for all covered services (medical and prescriptions drugs) from participating providers for the remainder of the calendar year.

Health Savings Account



Use HSA funds to pay for qualified medical expenses (including dental and vision) or leave the money in your HSA for future expenses for reimbursement.

Once your money goes into the HSA it is yours forever. Unused money carries over from year to year with no maximum balance.



HSA Investments 101



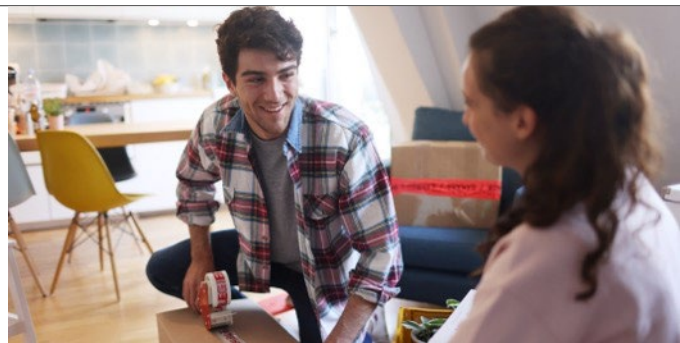
Planning for healthcare costs in retirement



- The average person can expect to spend \$150,000 on out-of-pocket healthcare cost during retirement, including Medicare premiums, gap coverage, expensive medications and more.
- Investing your HSA can help you build a nest egg and ensure you have enough money to set aside for the future.
- Once your HSA reaches \$1,000 balance, you can begin to build wealth and save for retirement by investing your funds.
- You never pay taxes on earnings or withdrawals for qualified medical expenses.



Key things to know before getting started



Minimum balance: You will need to accumulate a minimum balance of \$1,000 in your HSA before you are able to invest. Any funds above this amount can be invested.

Transferring funds: If you have unexpected medical expenses, you can transfer your investment funds back into your HSA at any time. There are no fees or penalties for withdrawing money from your investments to pay for qualified medical expenses.

Industry-leading solution: Enjoy an innovative and modern investment experience that provides access to different investment account types, real-time investment account opening and trading, and modern investment tools.

Online account management: You can manage your investments online via your mobile phone, desktop computer or tablet – from same place you manage your HSA.



Flexible options

Invest in HealthEquity's 31 low-cost Vanguard funds



Choose from a variety of investment options that fit your needs



GPS

Tap into algorithm-based guidance and recommendations

GPS recommends investment options based on age, investment objectives, investment experience and more. This option gives subscribers the opportunity to ultimately select their own investments based on targeted advice.



AutoPilot

Let intelligent technologies manage your entire portfolio

Subscriber inputs create a risk profile, then **AutoPilot** will automatically select investments and rebalance member portfolios based on specified factors. **AutoPilot** empowers even the most inexperienced members to invest confidently.



Self-Driven

Powered by HealthEquity

HSA investing, directed by you.

If you're confident with your own research and investment knowledge, you can opt for a **Self-Driven** experience. Execute all fund and allocation decisions while still leveraging mutual fund research and performance data.

Some fees may apply to each investment option



Calculation Comparison



Health Saving Account Contribution and Employee Premium Payment

Monthly and Annual Calculation Comparison

Henrico County Government and Henrico County Public Schools

Standard POS	Sub Only	Sub + Child	Sub + Children	Sub + Spouse	Sub + Family
EmployER Monthly HSA Contribution	\$125	\$250	\$250	\$250	\$250
EmployEE Monthly Cost Differential From HDHP Plan	<u>\$37</u>	<u>\$98</u>	<u>\$168</u>	<u>\$123</u>	<u>\$230</u>
Total Monthly EmployER Contribution and EmployEE Premium Savings	\$162	\$348	\$418	\$373	\$480
EmployER Annual HSA Contribution	\$1,500	\$3,000	\$3,000	\$3,000	\$3,000
EmployEE Annual Cost Differential From HDHP Plan	<u>\$446</u>	<u>\$1,179</u>	<u>\$2,018</u>	<u>\$1,474</u>	<u>\$2,764</u>
Total Annual EmployER Contribution and EmployEE Premium Savings	\$1,946	\$4,179	\$5,018	\$4,474	\$5,764
Premier POS	Sub Only	Sub + Child	Sub + Children	Sub + Spouse	Sub + Family
EmployER Monthly HSA Contribution	\$125	\$250	\$250	\$250	\$250
EmployEE Monthly Cost Differential From HDHP Plan	<u>\$75</u>	<u>\$227</u>	<u>\$349</u>	<u>\$273</u>	<u>\$464</u>
Total Monthly EmployER Contribution and EmployEE Premium Savings	\$200	\$477	\$599	\$523	\$714
EmployER Annual HSA Contribution	\$1,500	\$3,000	\$3,000	\$3,000	\$3,000
EmployEE Annual Cost Differential From HDHP Plan	<u>\$898</u>	<u>\$2,721</u>	<u>\$4,193</u>	<u>\$0</u>	<u>\$5,569</u>
Total Annual EmployER Contribution and EmployEE Premium Savings	\$2,398	\$5,721	\$7,193	\$6,279	\$8,569

All numbers are round up or down



Simplifying your plan with tools and resources

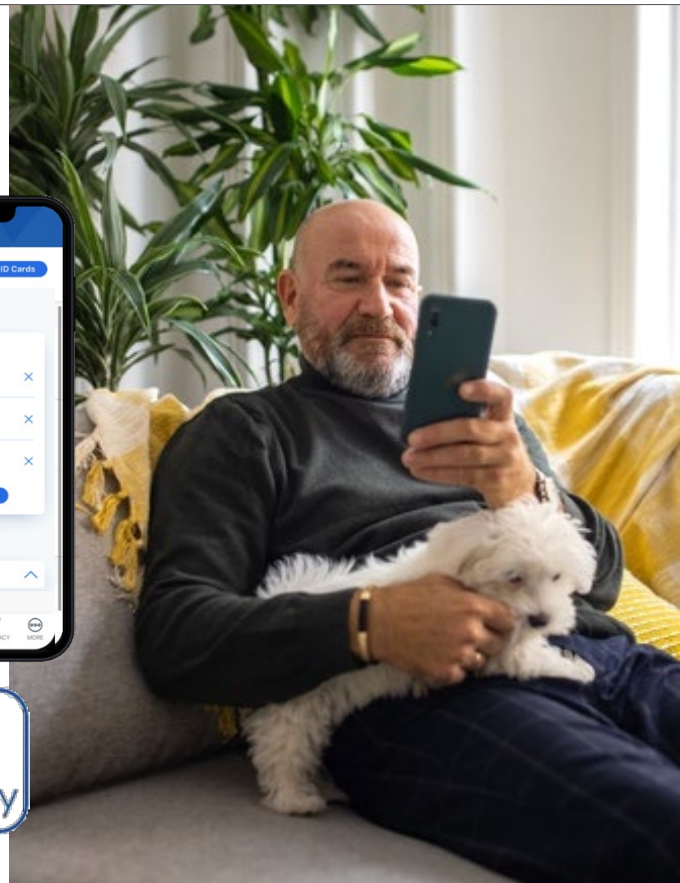
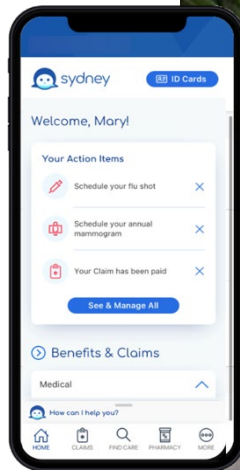


Sydney Health app; your personal health assistant

Download and register on the Sydney Health app to take full advantage of your Anthem plan.

Use it to:

- Find care and check costs.
- See all your benefits.
- View claims and payment information.
- View and use digital ID cards.
- Manage prescriptions.
- Get answers quickly with the interactive chat feature.
- Access virtual care.
- Access wellness resources and rewards.
- Sync with your fitness tracker.
- Reach Member Services for support.





HealthEquity app

Single-view dashboard

Our unified dashboard lets members perform basic account functions directly from the home screen.

Mobile

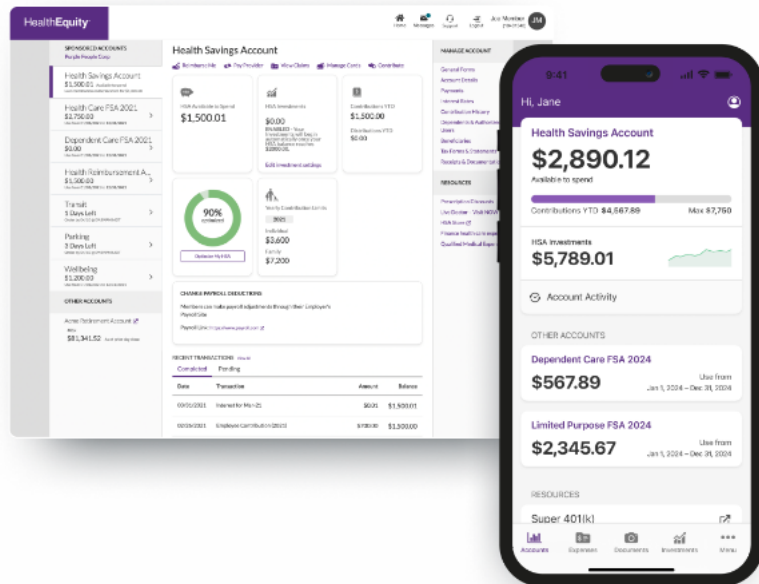
Manage everything from the palm of your hand.

Convenient

Enjoy at-a-glance views of account balances, spending, claims status, and more.

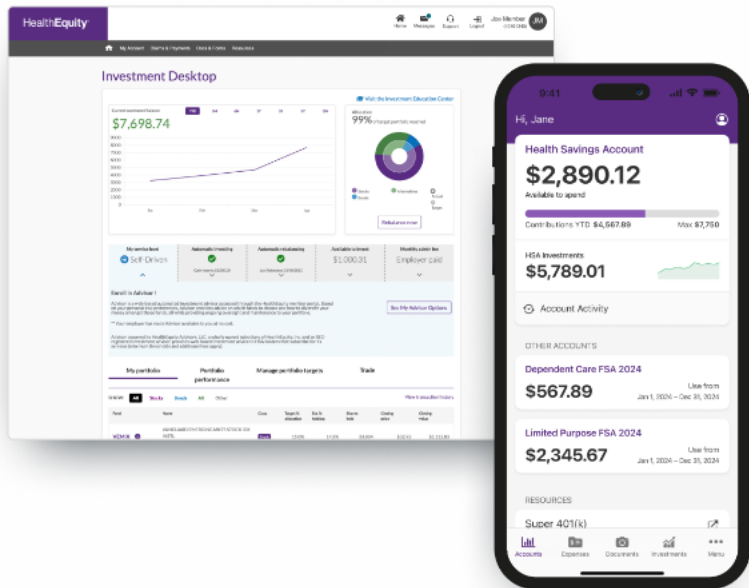
Secure

Expect two-factor authentication and industry-standard encryption.





HealthEquity app



Intuitive investment desktop²

Intuitive navigation and seamless technology make HSA investing easier than ever.

Effortless

Automatically invest contributions and rebalance your portfolio.

Trusted

Choose from 33 low-cost Vanguard mutual funds.

Intelligent

Access personalized guidance and recommendations from HealthEquity advisors, LLC.



QUESTIONS

