



THE 2020  
**EASY GUIDE** TO UNDERSTANDING YOUR  
**CONSUMER DRIVEN HEALTH PLAN**

**Rambus**



Click ESC  
to exit



A Consumer Driven Health Plan with a Health Savings Account is a smart way to finance healthcare costs today while building a nest egg for future healthcare and retirement expenses.



## The Plan that Gives You More...

The Blue Shield CDHP is a Consumer Driven Health Plan that gives you **more**:

- **more money in your paycheck** from lower monthly premiums
- **more ways to reduce taxes** with a tax-free Health Savings Account (HSA)
- **more flexibility** in how you choose and pay for healthcare services
- **more opportunities** to build long-term healthcare and retirement savings



 Watch the video

HIGH DEDUCTIBLE HEALTH PLAN



# CDHP at a glance

**Lower monthly contribution than our other medical plans**

**Higher deductible**

**Free in-network preventive care**

**Comprehensive medical and prescription drug coverage**

**Use tax-free Health Savings Account (HSA) to offset deductible**

## HSA: Your savings partner

When you enroll in the CDHP, you get a Health Savings Account (HSA) funded with tax-free contributions from Rambus and you.

This is important because with the CDHP you pay for 100% of your medical costs (except for preventive care) until you reach the annual deductible.

You can use the money in your HSA for your deductible and any other eligible medical expenses you have throughout the year or any time in the future.

Your HSA balance never expires—there's no “use it or lose it” rule. You keep the account even if you leave the company, and any balance earns interest.



# Your CDHP and HSA put you in control of healthcare spending



- **Preventive care is a no brainer.** Keep up with your annual checkups without worrying about the cost since preventive care is fully covered in-network.
- **Use your HSA for many different health expenses**—regular office visits, prescriptions, lab tests, acupuncture, chiropractic adjustments—even dental care, glasses and contacts.
- **You don't have to spend your HSA.** If you'd rather save your HSA for a potential large expense down the road, feel free to pay small medical costs from your bank account. If you change your mind, you can always get reimbursed from your HSA later.
- **Your HSA gives you flexibility** to visit any doctor, hospital or lab of your choice, even out-of-network providers.
- **You can shop around.** Healthcare is like any other purchase. If you have the time, it pays to shop around for the best quality and price. Ben-IQ allows you to search a specific service or procedure to find the average cost in your area.



# Your HSA helps you save on federal taxes

NO TAX  
on HSA  
contributions

NO TAX  
on eligible HSA  
withdrawals

NO TAX  
on HSA interest  
and investment  
earnings

T A X F R E E

Some states tax HSA contributions and/or earnings. Click this box for more about federal and state tax savings.





Because you're spending tax-free money, your HSA saves you up to 30% on healthcare expenses.





## Your HSA boosts your retirement savings plan

- **Your HSA is your long-term health fund.** The balance rolls over year after year so you can use it for healthcare expenses 30 days or 30 years from now.
- **Your HSA is a smart addition to your retirement savings plan.** Your post-retirement healthcare spending will be tax-free when you use your HSA. And after age 65, you can use HSA dollars for non-health expenses too (subject to ordinary income tax).
- **You can invest your account balance.** After you reach \$2,000, you can invest your funds, just like a 401(k) or IRA. You have a number of investment options to choose from.





I typically only visit the doctor for preventive care (bloodwork, mammogram, etc.)

I want more control over my out-of-pocket medical costs and help meeting my annual deductible.

## What's YOUR healthcare profile?

I typically meet my deductible every year.

I have very low out-of-pocket medical costs every year.

I have a family and our healthcare costs are different every year.

I'm nearing retirement and looking for another way to bank some tax-free savings.

## Your annual healthcare needs are unique—just like you

The HSA takes into consideration the fluctuations most people have in their health care needs. One year you might visit the doctor only for your annual checkup. Another year, you might make several trips to the doctor or even need surgery.

An HSA gives you a multi-year approach to health care planning. Money not spent today can grow in your HSA until that “rainy day” when you need it.



# HOW MUCH CAN YOU CONTRIBUTE TO AN HSA?

## ALLOWABLE HSA CONTRIBUTIONS (PER YEAR)

	Employee Coverage	Family Coverage
Rambus Contribution	\$1,000	\$2,000
+		
Your Pre-Tax Contributions	\$2,550	\$5,100
=		
2020 IRS Annual Maximum	\$3,550	\$7,100

In addition to the company contribution, you can contribute money to your HSA, up to the total annual amount allowed by the IRS. If you're 55 or older, you can contribute \$1,000 **more** each year.



# Important Plan Highlights

## Preventive Care

**PLAN PAYS 100%** (In-network)

## Before Meeting Deductible

**YOU PAY 100%** (\$1,500 Employee Only / \$3,000 Family)  
Deductible for any one individual enrolled in family coverage is \$2,800

## After Meeting Deductible

**YOU PAY 10%**

**PLAN PAYS 90%**

## After Meeting Out-of-Pocket Max

**PLAN PAYS 100%** (After \$3,000 Employee Only / \$6,000 Family)  
OOP Max for any one individual enrolled in family coverage is \$3,000

## Your Cost (Per Paycheck)

You can save up to **\$1,380** in premiums per year for Employee Only coverage or up to **\$3,636** per year for Employee + Dependent coverage compared to our other medical plans.

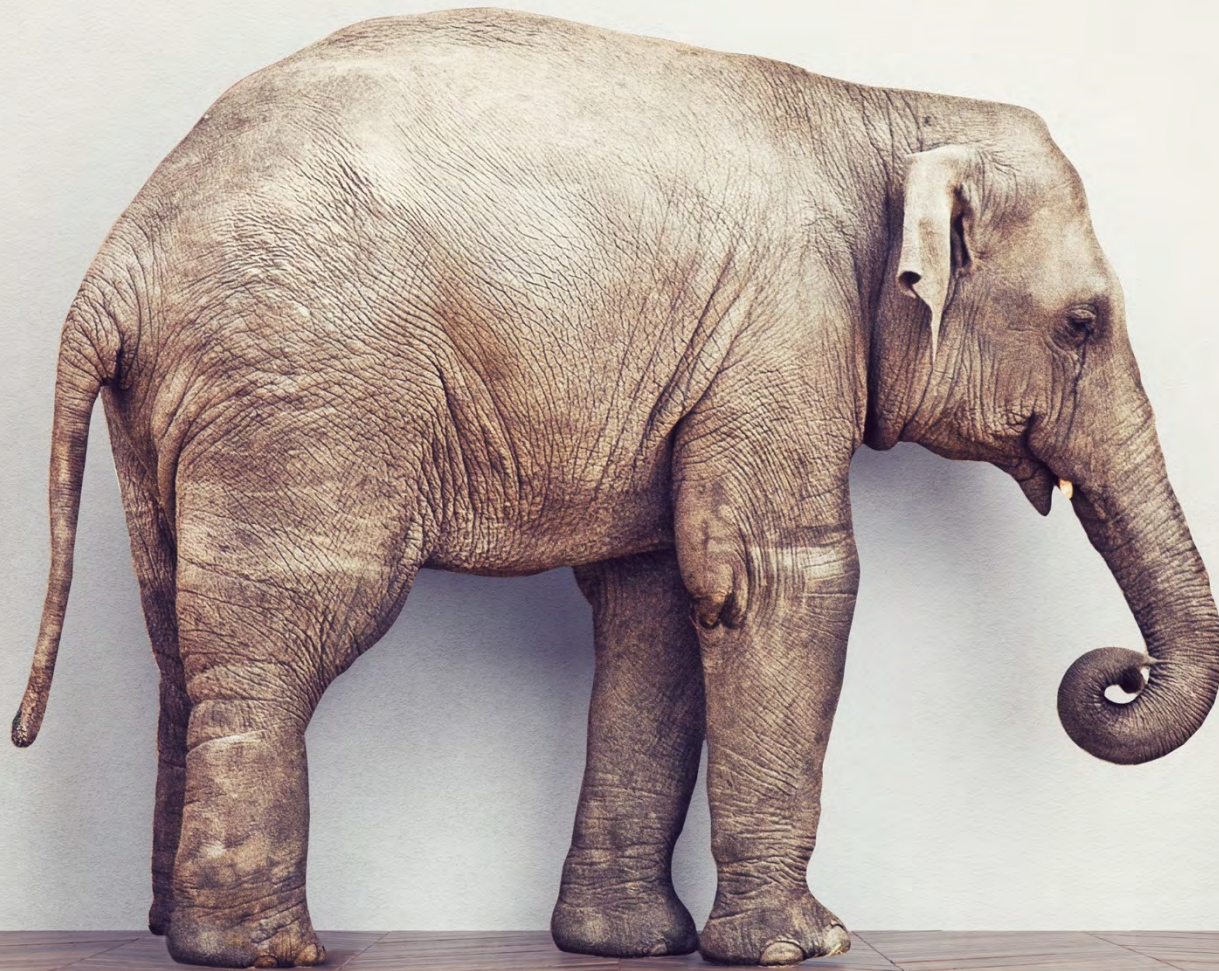
Employee Only	\$30
Employee + Spouse	\$90
Employee + Children	\$82
Employee + Family	\$136



Refer to your enrollment materials for additional plan details.



**Can we talk about the elephant in the room?**



**What about that DEDUCTIBLE?**



# It all comes back to the HSA...

At first, many people have deductible “sticker shock,” but many features of the CDHP partially or completely offset your deductible and other healthcare costs:

- **You pay substantially less in premiums,** allowing you to use the money you save for other things, including funding your HSA.
- **Rambus helps you cover your deductible** with contributions to your HSA.
- **The IRS sets a generous annual limit** on how much you can contribute to your HSA.
- **You get significant tax benefits.** HSA contributions, withdrawals and earnings are free from federal tax. (A few states tax HSA contributions or earnings.)
- **Your HSA balance rolls over every year.** What you don't spend continues to grow, with interest.



Can you give me some examples?



### Marco: Healthy Single Guy

Marco's costs were very low throughout the year. He had his annual checkup (fully covered), and he got contacts. He did not meet his deductible.

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	\$1,000	HSA deposit from Rambus
+	\$2,000	Marco's HSA contributions
=	<b>\$3,000</b>	<b>Total HSA Deposits</b>
-	<u>\$500</u>	Eye exam and contacts
=	<b>\$2,500</b>	<b>HSA balance rolls over to next year</b>

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### Nia: Working Mom with Family

Nia covers her whole family. They visited the doctor often because life happens! Even though her family's expenses were higher, she did not meet her deductible.

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	\$2,000	HSA deposit from Rambus
+	\$3,500	Nia's HSA contributions
=	<b>\$5,500</b>	<b>Total HSA Deposits</b>
-	<u>\$2,200</u>	Sniffles, sneezes & sprains
=	<b>\$3,300</b>	<b>HSA balance rolls over to next year</b>

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## Jack: Weekend Warrior

Jack's off-road trip went a little more off the road than he planned. His knee surgery totaled \$6,300 so he exceeded his deductible. Here's how his health plan benefits (employee-only coverage) and HSA worked together to cover his costs.

### CDHP Plan Benefits

	\$1,500	Jack's in-network deductible
+	\$700	Jack's additional coinsurance costs
=	<b>\$2,200</b>	<b>Jack's total out-of-pocket</b>
+	\$4,100	Covered by insurance
=	<b>\$6,300</b>	<b>Total knee surgery cost</b>

### HSA Usage

	\$500	HSA deposit from Rambus
+	\$2,500	Jack's HSA contributions for the year
=	<b>\$3,000</b>	<b>Total HSA Deposits</b>
-	\$2,200	Paid for medical costs
=	<b>\$800</b>	<b>HSA balance rolls over to next year</b>

# Four easy ways to grow your HSA

1

If you will save on monthly premiums by enrolling in the CDHP, put the savings into your HSA.

2

If you usually set aside money for medical expenses in a healthcare Flexible Spending Account (FSA), direct those dollars to your HSA instead.

3

If you get a pay increase or bonus, direct a portion of it towards your HSA.

4

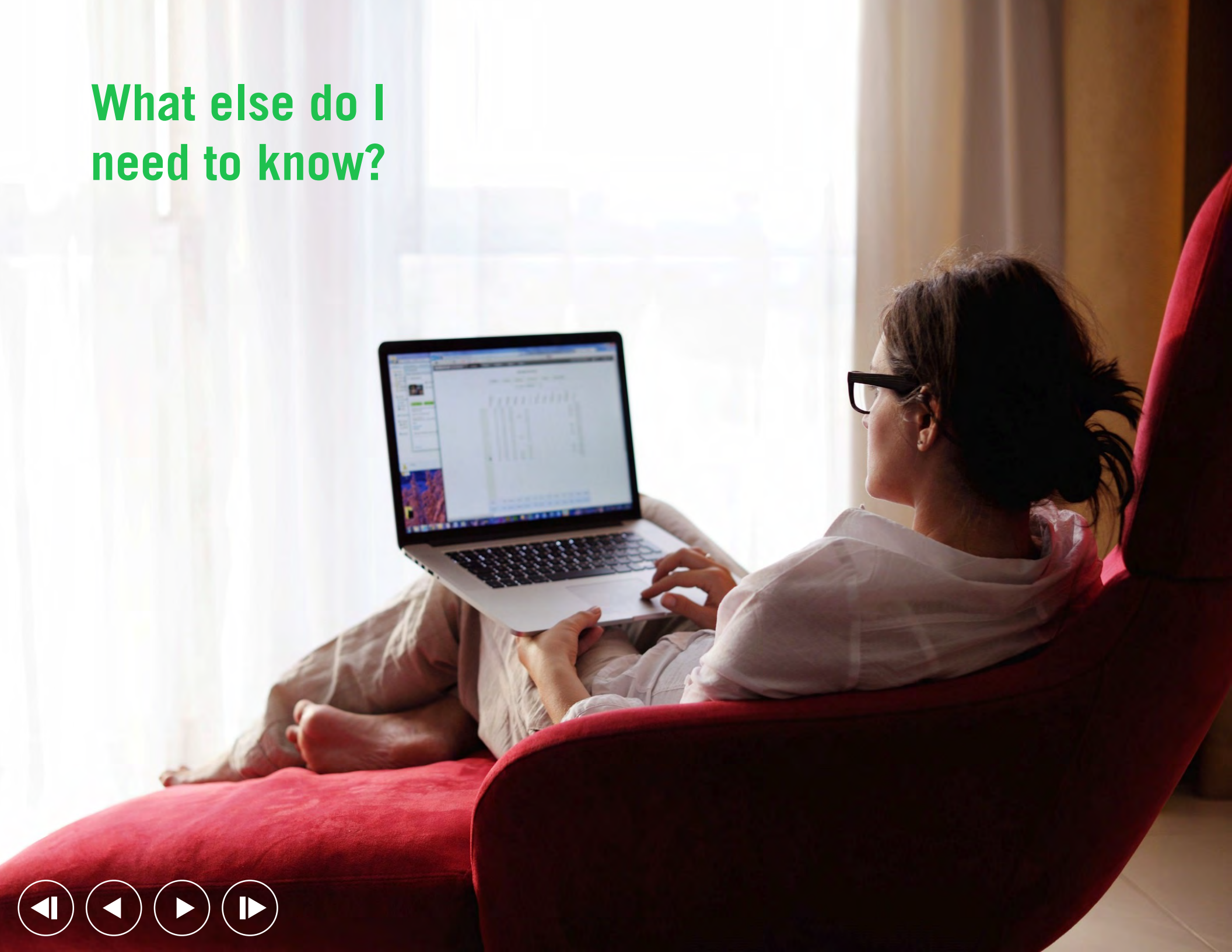
If you haven't maxed out your contributions, make a deposit to your HSA before April 15 for an additional tax deduction.

SAVE





**What else do I  
need to know?**



# How can I spend my HSA?

## Common Eligible Expenses

### Medical Services

- Coinsurance/copays
- Lab tests, X-rays, scans
- Ambulance
- Acupuncture
- Chiropractic
- Alcohol/substance abuse treatment
- Fertility treatment
- OB/GYN exams and fees
- Childbirth classes
- Lactation supplies
- Hearing tests

### Medical Equipment

- Crutches, walkers, and wheelchairs
- Arches and orthotic inserts
- Syringes
- Nebulizers
- Hearing aids

### Dental

- Exams, cleaning, and X-rays
- Extractions and fillings
- Periodontal services
- Oral surgery
- Orthodontia/braces
- Dentures and bridges

### Vision

- Exams
- Prescription eyeglasses, sunglasses, and contact lenses
- Laser eye surgery

### Therapy

- Counseling
- Occupational, physical and speech therapy
- Smoking cessation program

[CLICK HERE FOR A DETAILED LIST OF ELIGIBLE EXPENSES](#)



## Over the Counter (OTC) Items

### Eligible without a prescription

- Denture adhesives, repair and cleansers
- Diabetes testing and insulin
- Ear care
- Elastic/athletic treatment
- Contact lens care
- First-aid dressings and supplies
- Foot care treatments
- Hearing aid and other medical batteries
- Incontinence supplies (Depends, Serenity, etc.)
- Pregnancy/ovulation kits
- Prenatal vitamins
- Reading glasses
- Walking aids

### Eligible only with a prescription

- Acne medications
- Allergy, cold, cough, flu and sinus medications
- Antifungal medications
- Baby rash ointments and creams
- Burn remedies, antiseptics and wound cleaners
- Cold sore remedies
- Hemorrhoid remedies
- Homeopathic remedies
- Motion sickness
- Pain relievers, sleep aids and sedatives
- Stomach remedies (anti-gas, acid control, etc.)
- Vitamins and nutritional supplements

## Common Ineligible Expenses

- Cosmetic surgery or procedures
- Electrolysis
- Hair loss medication
- Insurance premiums
- Marriage or career counseling
- Teeth whitening
- Toothbrushes and toothpaste
- Vitamins/supplements

**MORE  
INELIGIBLE  
EXPENSES**



# HSA Eligibility Rules

## For You

To be eligible to make deposits to an HSA:

- You must currently be enrolled in an CDHP.
- You may not be enrolled in any other non-CDHP health coverage, except for accident, disability, dental or vision, or long term care coverage.
- You may not have a general purpose flexible spending account (FSA) or be eligible to use one (such as a spouse's FSA). Limited purpose FSAs, which cover dental and vision expenses only, are allowed.
- You cannot be claimed as a dependent on another person's tax return.
- You may not be enrolled in Medicare, Medicaid or Tricare.



## For Your Adult Dependents

- Your HSA may be used to pay for eligible expenses for you and for your legal tax dependents (people listed on your federal income tax return).
- While you can cover dependent children on your health plan up to age 26, this does not extend to HSA spending. When your adult child is no longer a tax dependent, any HSA distributions for the child would be subject to taxes and penalties.
- If you cover your Domestic Partner on the CDHP, you may each set up an HSA and contribute the full family amount (assuming you are both HSA-eligible). However, you may not use your HSA for your partner's expenses (and vice versa).

**SEE MORE  
ELIGIBILITY  
DETAILS**



# IRS Tax Rules

## Non-Qualified Medical Expenses

If you use your HSA for a non-qualified medical expense, you may owe taxes plus a 20% tax penalty on that amount. If you are age 65 or older or disabled at the time, you just pay your regular tax rate but no penalty on non-qualified withdrawal amounts.

## Keeping Records

Keep all your receipts for your HSA transactions for at least three years. This proves that you used your funds for qualified medical expenses and provides documentation in case you are audited by the IRS.

## State Taxes

Most states treat HSA contributions and earnings on a tax favored basis, just like federal. CA and NJ do not exclude HSA contributions from income. Contact your tax advisor or HSA administrator for additional information on taxes in your state.

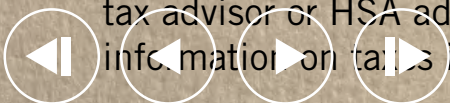
## Excess Contributions

If you contribute over the IRS limit in one year, you will have to pay tax plus 6% on the excess. To avoid additional taxes, you can withdraw the excess amount before the April 15 tax filing deadline or direct the excess toward the next year's contributions.

## HSA Beneficiaries

If you name your spouse as your HSA beneficiary, your spouse will inherit your account and it will become your spouse's HSA. If your beneficiary is not your spouse, the account will no longer be considered an HSA and becomes taxable to the beneficiary.

**Consult a tax advisor for guidance on how these rules may affect you.**



# Helpful Online Resources

Click on any of the circles to open online resources that have more information for you.

**HSA vs FSA  
What's the  
difference?**

**Compare  
CDHP to  
another Plan**

**Are your  
doctors  
in-network?**

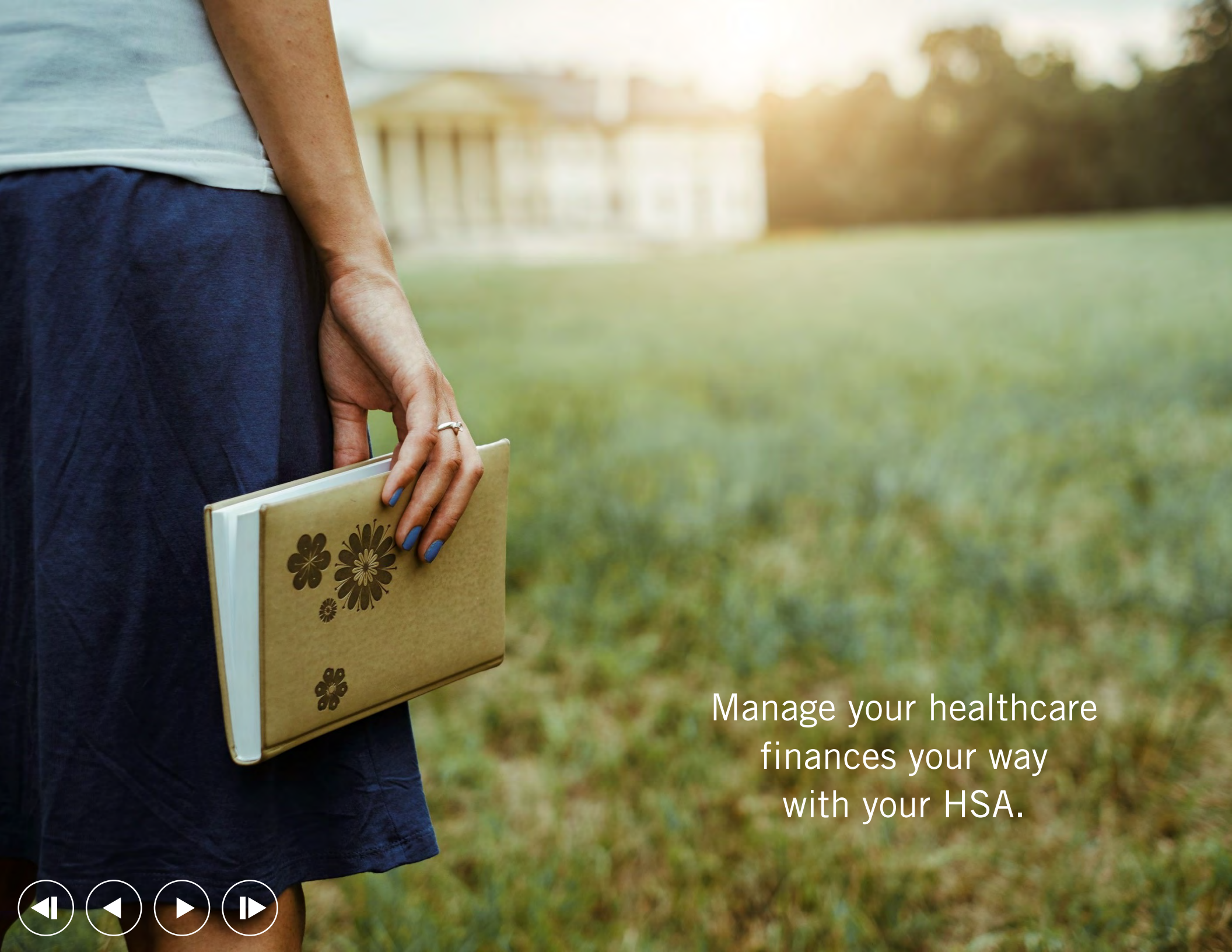
**blueshieldca.com**

**ENROLL**

**How do Life  
Events affect  
your HSA?**

**Healthcare  
Cost and  
Quality  
Information**





Manage your healthcare  
finances your way  
with your HSA.





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Understanding Your  
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