McComb School District

Medical Plans 2025

Benefits per Calendar Year	HDHP – Health Savings Account	
	Network	Non-Network
Deductible	**Single: $3,300** **Family: $6,600**	**Single: $5,000** **Family: $10,000**
Co-insurance	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** **Plan pays: 60%** **Member pays: 40%**
Out-of-Pocket Maximum (includes deductible)	**Single: $3,300** **Family: $6,600**	**Single: $11,000** **Family: $22,000**
Office/Specialist Visit	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Urgent Care	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Emergency Room (Life Threatening)	**Deductible first then** Plans pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 80% Member pays: 20%

Medical Plans 2025

Benefits per Calendar Year	HDHP – Health Savings Account	
	Network	Non-Network
Preventative Benefits (See additional slide)	**NO COST SHARE** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Inpatient Professional Services	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Inpatient Facility Services	**Deductible first then** Plan pays: 100% Member pays: 100%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Surgery Outpatient Facility	**Deductible first then** **Plan pays: 100%** **Member pays: 0%**	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient MRI	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Cat Scan	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Ultrasound	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%

Medical Plans 2025

Benefits per Calendar Year	HDHP – Health Savings Account	
	Network	Non-Network
Durable Medical Equipment	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Hospice Care	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Ambulance Services	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Home Care Services	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Chemotherapy	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Cardiac Rehab	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%

Medical Plans 2025

Benefits per Calendar Year	HDHP – Health Savings Account	
	Network	Non-Network
Skilled Nursing	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Private Duty Nursing	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Organ Transplant	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Chiropractic	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Speech Therapy	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Outpatient Occupational Therapy	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%

Medical Plans 2025

Benefits per Calendar Year	HDHP – Health Savings Account	
	Network	Non-Network
Mental Illness Outpatient Services	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Mental Illness Services Inpatient Facility	**Deductible first then** Plan pays: 100% Member pays: 0%	**Deductible first then** Plan pays: 60% Member pays: 40%
Prescription Drugs 30 day supply Tier1 Tier 2 Tier 3	**Deductible first then** Plan pays: 100% Member pays: 0%	**N/A**
Prescription Drugs 90 day supply Tier 1 Tier 2 Tier 3	**Deductible first then** Plan pays: 100% Member pays: 0%	**Not Covered**
Specialty Drugs	**Limited to 30 day supply**	**Limited to 30 day supply**

HSA BASICS

122.31
125.13
1,958.72
1,870.18
126.35
9,116.72
3,616.17
25,463.30
9,687.55
534.12
1,353.41
0.00
7,648.43
0.00
947.77
2,045.69
852.30
963.47
551.69
11.99
10,475.74
870.68
FB44168273A
100
SET
OFF
M+
9
6

What is an HSA?

A health savings account (HSA) is an account that you can use to pay medical expenses.

- **Must be in conjunction with a high-deductible health plan (HDHP)**
- **You own the account, but both you and your employer can contribute funds**
- **Tax-advantages: contribute pre-tax money, funds accrue tax-free and withdraw funds tax-free (if used for eligible medical expenses)**

Benefits of an HSA

Triple tax advantage means you save money on your health care expenses

Funds rollover each year, so you can use your HSA to save tax-free money for retirement

You own the account, even if you leave the company

Lower monthly premiums than a traditional health plan

Benefits of an HSA

An HSA provides you triple tax savings:

Tax deductions when you contribute to your account (No Tax on Employer Contributions)

Tax-free earnings through an Interest Rate with Banking Partner. Some offer investments with minimum balances

Tax-free withdrawals for qualified medical expenses

HSA CONTRIBUTIONS

How Does The HSA/HDHP Work?

You contribute money to the HSA (either a lump sum payment or monthly through payroll deductions).

You can use HSA dollars to pay your health insurance deductible, along with other qualified medical expenses such as dental or vision services.

Once you meet your deductible, your insurance pays additional covered expenses in accordance with our plan (mostly at 100%).

Who is Eligible for an HSA?

Anyone who is:

- **Covered by an HDHP**
- **Not enrolled in Medicare**
- **Not covered under other health insurance***
- **Not another person's dependent**

***Other health insurance does not include: specific disease or illness insurance, accident, disability, dental care, vision care and long-term care insurance**

HSA Contribution Limits

- Each year, the IRS sets contribution limits
  - These limits are for the total funds contributed, including company contributions, your contributions and any other contributions.
- 2025 limits:
  - $4,300 for individual coverage
  - $8,550 for family coverage

HSA Contributions

You are allowed to contribute the entire year's limit when you first become eligible for the HSA, as long as you are still eligible on the first day of the last month of your tax year (December 1 for most taxpayers).

However, if you join mid-year and contribute the maximum amount to your HSA, you must remain eligible for at least 12 months after the last day of the last month of that tax year (December 31 for most taxpayers), or you will be subject to taxes and penalties on the amount you contributed.

Catch-Up Contributions

For individuals age 55-plus, the IRS allows additional "catch-up contributions."

Eligible individuals may contribute an extra $1,000 for the year.

This rule is meant to help save additional money for retirement.

HSA DISTRIBUTION RULES

HSA Distribution Rules

Distributions from your HSA are tax-free if they are taken for "qualified medical expenses."

Your HSA can only be used for expenses that are incurred on or after the date the HSA was established.

However, HSA funds can be used for expenses from a prior year, as long as the expenses incurred on or after the date the HSA was established.

HSA Distribution Rules

HSA distributions can be taken for qualified medical expenses for the following people:

- **The account holder (person covered by the HDHP)**
- **Spouse of that individual (even if not covered by the HDHP)**
- **Dependents of that individual (even if not covered by the HDHP)**

HSA Distribution Rules

Funds used for non-qualified medical expenses (Big Screen TV) are taxable as income and subject to a 20% penalty

Distributions – Age 65-plus

For individuals age 65 and older, HSA distributions can be used for non-qualified medical expenses without facing the 20 percent penalty.

- **However, income taxes will apply for non-medical distributions.**
- **This rule is regardless of whether the individual is enrolled in Medicare.**

QUALIFIED MEDICAL EXPENSES

Qualified Medical Expenses

The IRS defines expenses that are considered “qualified medical expenses” for HSA distributions.

Expenses must be primarily to treat or prevent a physical or mental defect or illness.

If you use HSA funds for expenses beyond what the IRS defines as qualified, you will be subject to income tax on the distribution and an additional 20 percent penalty.

Qualified Medical Expenses

Examples of qualified medical expenses include:

- Most medical care that is subject to your deductible (copays, coinsurance, doctor visits, inpatient or outpatient treatment, etc.)
- Prescription drugs
- Over-the-counter drugs
- Insulin (with or without a prescription)
- Dental and vision care
- Select insurance premiums
  - COBRA, qualified long-term care insurance, health insurance premiums paid while receiving unemployment benefits, health insurance after you turn 65 except for a Medicare supplemental policy

Qualified Medical Expenses

- Acupuncture
- Alcoholism treatment, including meals, lodging, and transportation
- Ambulance service
- Birth control pills
- Breast reconstruction surgery following mastectomy
- Chiropractor
- Contact lenses – also materials & equipment, such as saline and enzyme cleaner
- Crutches
- Dental treatment, except for teeth whitening
- Diagnostic items/services, such as blood sugar test kits
- Drug addiction treatment, including meals and lodging
- Eyeglasses
- Eye Examinations
- Fertility enhancement, such as in vitro or reverse vasectomy (some treatments excluded)
- Fluoridation device or services
- Guide dog/Other animal aid
- Health institute, if prescribed by a physician
- HMO (Health Maintenance Organization)
- Hearing aids
- Home care/nursing services
- Hospital services, including meals and lodging
- Insurance premiums (with some exceptions)
- Laboratory fees
- Laser eye surgery/Lasik
- Long term care insurance
- Long term care services (some)
- Medical information plan
- Medicines
- Special housing for a person with developmental disability, as recommended by a psychiatrist
- Nursing home – only if there for medical reasons
- Nursing services provided by a nurse or attendant
- Operations
- Optometrist
- Organ donors/transplants
- Orthodontia
- Oxygen
- Personal Trainer (if ordered by physician)
- Pregnancy test kits
- Prosthesis
- Psychiatric care (including costs for residential care)
- Psychoanalysis, except those sessions as part of required training to become a psychoanalyst
- Psychologist
- Surgery
- Vasectomy
- Weight loss program/foods/ personal trainer – if prescribed by a physician and substantiated (fees for gym membership not eligible)
- Wheelchair/Wheelchair maintenance
- Wigs
- X-ray fees

Ineligible Medical Expenses

Expenses that are not considered "qualified medical expenses" include:

- **Insurance premiums (other than the exceptions listed on the previous slide)**
- **Surgery purely for cosmetic reasons**
- **General health items such as tissues, toiletries, hand sanitizer**

Ineligible Medical Expenses

- Babysitting/childcare/nursing services for a normal, healthy baby – even if the expenses allow for other household members to receive medical treatment
- Controlled substances in violation of federal law, such as "medical marijuana"
- Cosmetic surgery – if unnecessary and not resulting from surgery or disfigurement
- Dancing lessons, even if recommended by a doctor
- Diaper service
- Diet drinks
- Electrolysis/Hair removal
- Flexible spending account
- Funeral expenses
- Future medical care – except in situations where it is purchased in connection with obtaining lifetime care or long-term care, as described in "HSA Eligible Expenses"
- Hair transplant
- Health club dues
- Health coverage tax credit
- Household help, even if recommended by a doctor – does not include nursing services
- Illegal operations and treatments
- Insurance premiums (some)
- Maternity clothes
- Medical savings account
- Medicines/Drugs from other countries
- Nutritional supplements
- Personal use items, such as a toothbrush or toothpaste
- Swimming lessons
- Teeth whitening
- Veterinary fees, except for guide dogs or other animal aids
- Weight-Loss program – if the purpose of the weight loss is for general well-being and health; refer to "HSA Eligible Expenses"

Recordkeeping

Whenever you use HSA funds to pay for a medical expense, you should keep your receipt.

You may need to demonstrate to the IRS that HSA distributions were for qualified medical expenses.

If the IRS requests receipts for verification purposes, failure to provide those receipts could result in having to pay a penalty.

Recordkeeping

- **Distributions are reported annually on Form 1099 SA by Banking Partner/HSA Trustee.**
- **The individual reports contributions on annual 1040 & files Form 8889.**
- **Form 5498 (showing client contributions) is sent by Banking Partner to individual before 1/31.**

Advantages of HSAs

Savings

You can save the money in your account for future medical expenses and grow your account through investment earnings.

Control

You can make decisions about:

- How much money to put into the account
- Whether to save the account for future expenses or pay current medical expenses
- Which medical expenses to pay from the account
- Whether to invest any of the money in the account (if available) and where to invest

Portability

Accounts are completely portable, meaning you can keep your HSA even if you:

- Change jobs
- No longer have HDHP coverage (can still use HSA for qualified expenses)
- Become unemployed (COBRA Premiums)
- Move to another state
- Change your marital status

Advantages of HSAs

Security

Your high deductible insurance and HSA protect you against high or unexpected medical bills.

Affordability

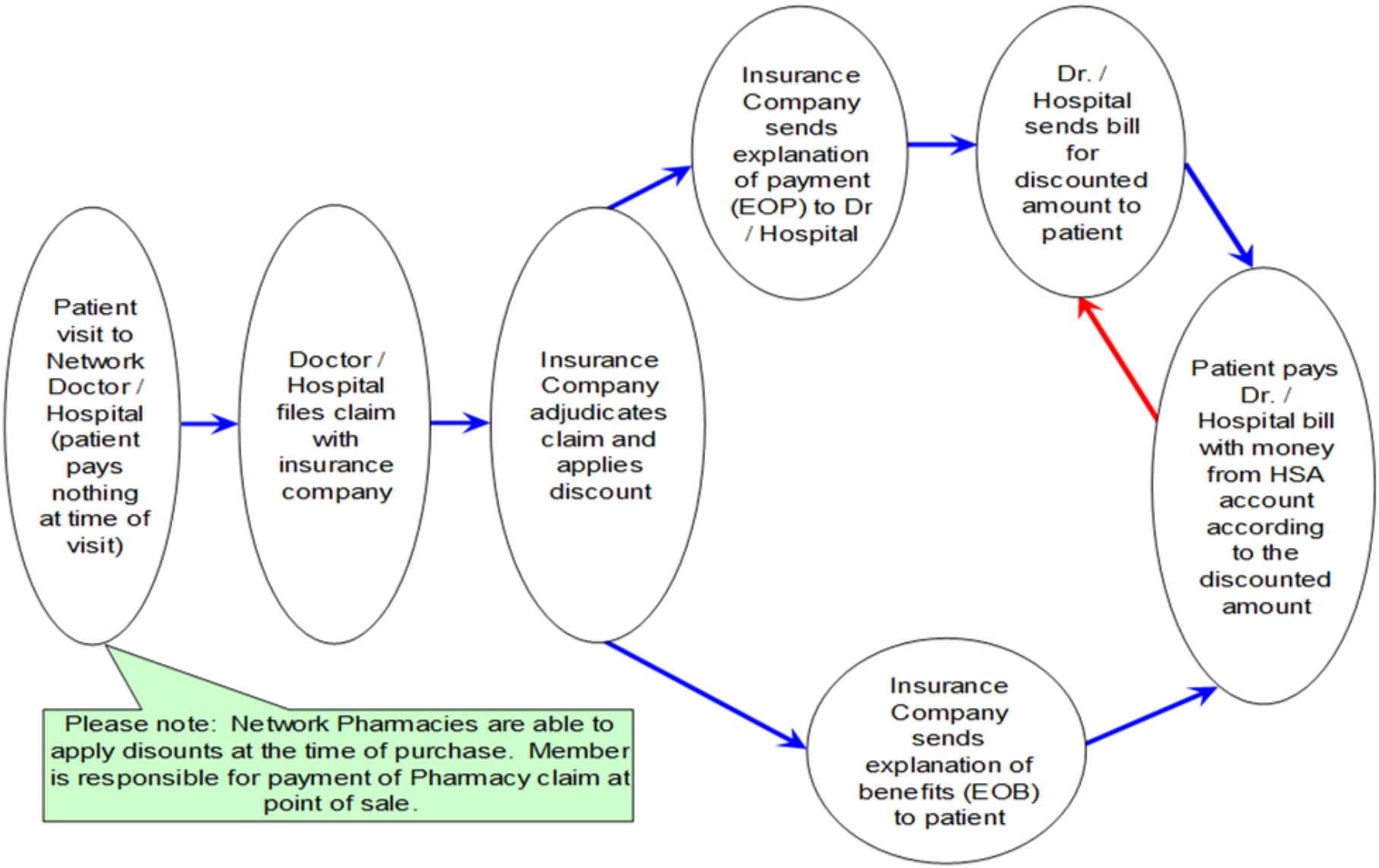
You should be able to lower your health insurance premiums by switching to health insurance coverage with a higher deductible.

Flexibility

You can use the funds in your account to pay for current medical expenses, including expenses that your insurance may not cover, or save the money in your account for such needs as:

- Health insurance premiums or medical expenses if unemployed (COBRA)
-Premiums & Out-of-pocket expenses when covered by Medicare. (Not Supplemental Policy premiums)
- Qualified Long-term care expenses and premiums.

Recordkeeping



For additional Health Savings Account information you can visit www.hsacenter.com.

Thank you for your attention!