



GBS Advantage HSA

Health Savings Account

GBS Advantage HSA (Health Savings Account) is an innovative tool for managing the cost of health benefits. Designed by the federal government, the HSA legislation allows individuals to save for future qualified medical and retiree health expenses on a tax-free basis. GBS leverages the HSA benefit to help employers save money on health care costs while increasing the accountability of their employees, without sacrificing the value of benefit packages.

HSA plans are available for all size employers. Health insurance carriers offer fully-insured HSA plan options to employers. In addition, as the only firm to offer comprehensive administration for both fully-insured and self-funded plans, GBS can provide our self-funded employers with HSA plan options.

Benefits professionals and employers can realize their strategic benefit goals and cost objectives through innovative HSA solutions offered by GBS. Compare the current PPO plan to the proposed **GBS Advantage HSA** plan design below:

Benefit Plan & Costs*

Current PPO Plan		Benefits	
Deductible	\$250 Individual	Annual Costs \$6,024	
Office Visit Copays	\$10/\$20		
Coinsurance	100/80% (After Deductible)		
Out-of-Pocket Maximum	\$2,000 Individual		
Rx Drug Copays	\$15/\$25/\$50		
Proposed GBS Advantage HSA Plan		Benefits	
Deductible	\$1,200 Individual	Annual Costs \$3,888	
Copays (After Deductible):			
Office Visits	\$20/\$30 Then Coinsurance		
Rx Drug	\$15/\$25/\$50		
Coinsurance	90/70% (After Deductible)		
Out-of-Pocket Maximum	\$2,500 Individual		
Savings Summary			
Savings from Plan Design Change		\$2,136	35% Savings
Optional Employer HSA Contribution		\$600	
Savings with Employer HSA Contribution		\$1,536	25% Savings

*Single coverage with an average age of 42 in Maryland



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How GBS Advantage HSA Works

The employer and employee, along with their benefits professional, strategize and make the following decisions:

1. Choose a qualified high-deductible health plan that enables the employer to pay a significantly lower monthly premium to the carrier or reduces their self-funded healthcare costs.
2. Decide on the appropriate employer/employee contribution strategy, including payroll deductions and HSA contributions.
3. Communicate and educate employees about the advantages of the HSA.
4. Employees make decisions about how much money, pre-tax, they will contribute to their HSA accounts (up to \$2,850 per single and \$5,650 per family annually in 2007).
5. HSA funds accrue and are available for reimbursement of qualified expenses and/or remain available for use in future years.

Advantages from the Employer Perspective

- Significantly lowers overall health care costs through increased consumer awareness of real costs and improved consumer spending decisions.
- Flexible plan design tailors benefits to specific needs, offering greater control over current and future costs.
- Encourages employees to engage in better lifestyle decisions resulting in a healthier, more productive workforce.

Advantages from the Employee Perspective

- Amounts contributed by the employee and employer to an HSA belong to the employee, and are portable should their employment terminate.
- Employees may be free to choose from a wide range of investment options for the HSA account, and earnings accumulate tax free.
- Funds distributed from the HSA account are not taxed if they are used to pay for qualified medical expenses, and any unused funds accumulate tax free for future use.

GBS custom designs and administers innovative solutions for all businesses. To learn more about how to lower health insurance costs and enhance employee benefits, call GBS at 800.638.6085.