

A HEALTH PLAN PLUS A HEALTH SAVINGS ACCOUNT

Health Savings Account (HSA)

Two components of coverage

What are you looking for in a health plan this year?

A cost-effective plan, choice of doctors – and coverage for preventive care and prescriptions?¹ Cigna can offer you all of this with a Health Savings Account (HSA) through BenefitWallet™. This account, combined with a high-deductible health plan (HDHP), offers cost-effective health coverage, with a tax-advantaged HSA to help you pay for out-of-pocket costs.

High-Deductible Health Plan (HDHP)

- › In-network preventive care visits covered at 100 percent¹
- › Coverage for doctor visits, prescriptions, emergency room visits and hospital stays¹
- › Generally has a lower plan contribution compared to traditional plans
- › Nationwide network of health care professionals and facilities
- › No referrals required to see a specialist
- › Out-of-pocket maximum limits what you pay each year

Health Savings Account (HSA)

- › Pay no taxes on contributions made to your account²
- › Use that money to pay for qualified health care expenses
- › Reduce your federal taxes
- › Earn tax-free interest on money in the account²
- › Money in account rolls over every year

- › The money is yours, so the account stays with you if you leave your employer
- › Use the HSA debit card, on-line bill pay, or checks to easily pay for qualified medical expenses
- › Money that accumulates beyond a certain amount can be invested³
- › Investment gains grow, tax-free²

Is this a good plan for me?

As you review your health plan options, ask yourself the following questions. They may help you decide whether an HSA will benefit you and/or your family.

- › What health care services did I use last year?
- › What health care services will I need this year?
- › Do I want more choice and control over my health care decisions and spending?
- › How much did I pay in plan contributions last year?
- › How much will I pay in plan contributions on the HSA plan?
- › If I contribute money to my HSA, how quickly will my account grow?
- › What future health care services do I need to budget for right now?
 - Pregnancy
 - Surgery
 - Post-retirement and pre-Medicare services

You can use our helpful cost and quality tools, available on **myCigna**, to see if an HSA can help you save money on your health care costs. Contact your employer with questions.

Together, all the way.®



Offered by: Cigna Health and Life Insurance Company or Connecticut General Life Insurance Company.

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How it works

Doctor or hospital visit

- › Show insurance card
- › Receive treatment
- › After you receive the bill:
- › Pay using your HSA debit card or check, or pay using personal funds and let your HSA funds grow

Pharmacy

- › Show insurance card
- › Your pharmacy will advise you on what you owe
- › Pay using your HSA debit card or check, or pay using personal funds and let your HSA funds grow

To be eligible for the savings account, you:

- › Must be enrolled in a qualified high-deductible health plan (in this case, the HDHP from Cigna)
- › Can't be covered by any other health plan or health insurance, except what is permitted by the IRS – examples of permitted coverage include dental, vision and long-term care
- › Can't be claimed as a dependent on another person's tax return
- › Can't be enrolled in a general-purpose health flexible spending account (FSA) (nor can your spouse)
- › Can't be enrolled in Medicare

High-deductible health plan (HDHP)

A qualified high-deductible health plan has an annual network deductible of at least:

2015/2016 coverage:

\$1,300 for self-only
\$2,600 for family

The annual network out-of-pocket expenses can't exceed:

Out-of-pocket maximums

	2015	2016
Self	\$6,450	\$6,550
Family	\$12,900	\$13,100

Out-of-pocket maximums must include deductibles, coinsurance and other amounts you may pay for covered benefits, but don't include premiums or plan contributions.

These amounts are for 2015 and 2016, and will change each year based on inflation.

Health savings account (HSA)

Qualified medical expenses include:

- › Routine health care – doctor's office visits, X-rays, lab work, prescriptions
- › Hospital expenses – room and board, surgery, supplies
- › Dental care – cleaning, fillings, crowns, X-rays
- › Vision care – eye exams, eyeglasses, contacts
- › Medical and dental coinsurance and deductibles (the part of the medical bill paid by you, not your medical plan)

Use HSA funds for alternative or preventive treatments not typically covered by medical plans, for example:

- › LASIK surgery
- › Tobacco cessation programs
- › Braces
- › Chiropractic services
- › Hearing aids
- › Family planning procedures
- › COBRA premiums

See www.irs.gov, IRS Publications 502 and 969, for additional information about qualified medical expenses and helpful information about HSAs.

Tax advantages of an HSA include:²

If your employer offers automatic payroll deductions, contributions can be deducted from your paycheck before taxes are calculated. Alternatively, contributions made with after-tax dollars can be deducted on your income tax return.

Distributions (money you take out) to pay for qualified medical expenses are not taxed. Investment earnings grow, tax-free.

How does the HSA work?

Your HSA account is managed by BenefitWallet, similar to how a bank would manage your personal savings or checking account. When you open the HSA, you receive a debit card and/or checkbook to be used only at health care facilities and pharmacies. If you try to use your debit card or checks at other facilities (e.g., a department store), the card may be rejected. If you use your HSA funds to pay for nonqualified expenses, you may be liable for taxes on the amounts. BenefitWallet monthly statements show activity on your account. (There may be additional fees associated with your BenefitWallet account. Check with your employer for more information.)

How much can I contribute?

Your total annual contribution, plus contributions from any other sources, including any employer contributions, can't exceed:

	2015	2016
Self	\$3,350	\$3,350
Family	\$6,650	\$6,750

Doctor or hospital visits

When you visit a doctor's office, you simply show your Cigna ID card. Usually, you won't pay for your service at this time. Rather, the doctor's office submits a claim for services to Cigna. We review the claim and apply a health care professional discount, where applicable. We then send an Explanation of Benefits statement to show the amount the plan paid and your portion of the cost. The doctor's office then bills you for the treatment cost. You may pay this bill using your HSA debit card or check. Or, you may pay using personal funds, allowing your HSA funds to grow.

Prescriptions

When you visit a pharmacy, show your Cigna ID card. Your pharmacy will advise you of what you may owe.

HSA example

Last year, John enrolled in the HSA from Cigna. He decided to deposit money into the HSA. Each month, John contributes \$100 to his account and his employer contributes \$50 to his account.

John has a \$2,500 deductible for his family coverage. The chart at right shows how John's HSA account paid his deductible and coinsurance expenses with tax-free dollars² and allowed his account to grow over time.

Your enrollment is NOT complete until you return the following items:

1. **Authorized Signature Form** – Just like any other bank account, you must complete and return the authorized signature form to allow payments from your HSA. Once BenefitWallet has your signature on file, they will issue your checkbook, which you may use to pay for qualified medical expenses.
2. **Beneficiary Designation Form** – Your HSA funds will always be yours, even if you leave your employer, which is why you need to designate a beneficiary in case something happens to you.

Return these two items in the return reply envelope provided in the BenefitWallet Welcome Kit to complete your enrollment in the HSA.

John's HSA account balance

Year 1

Total pretax contributions (\$150 per month x 12)	\$1,800
Medical expenses (applied to deductible)	-\$800
Balance at end of Year 1	\$1,000

Year 2

Rollover amount from Year 1	\$1,000
Total pretax contributions (\$150 per month x 12)	\$1,800
Total	\$2,800
Medical expenses (applied to deductible)	-\$2,500
Total	\$300
Total coinsurance amount paid after deductible met	-\$160
Balance at end of Year 2	\$140

Year 3

Rollover amount from Year 2	\$140
Total pretax contributions (\$150 per month x 12)	\$1,800
Total	\$1,940
Medical expenses (applied to deductible)	-\$1,000
Balance at end of Year 3	\$940

This is an example used for illustrative purposes only. Actual results will vary.

With the HSA from Cigna, you have health coverage and a savings account that provides a tax-advantaged option for saving and paying for medical expenses. You can't always predict what health care needs may arise, but the HSA can help you plan for the unexpected. That can help you have peace of mind.

How do I sign up? There are five easy steps to completing your enrollment.

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Enroll in the plan	Activate your account	Put money into your account	Pay health expenses with HSA funds	Manage your account
<p>First, complete the medical enrollment form, online or on paper, for the HDHP from Cigna, (this is a qualified high-deductible health plan that makes you eligible to open an HSA). This form is also used to open your BenefitWallet account.</p>	<p>Approximately two weeks after you've submitted your enrollment form, you'll receive a Welcome Kit in the mail that includes:</p> <ul style="list-style-type: none"> • Master signature card with three parts: <ul style="list-style-type: none"> – Authorized signature form, – Beneficiary designation form – HSA deposit slip • Deposit account agreement • Account fee and rate schedule • Consumer privacy policy statement • BenefitWallet contact information <p>You can activate your account immediately by logging in to myCigna.com and completing your E-Signature. By doing this:</p> <ul style="list-style-type: none"> • Your HSA debit card can be issued • You can begin receiving or making contributions to your account 	<p>Once you've enrolled, you need to decide on your monthly contribution. Typically, there are two methods. (Check with your employer about available options.)</p> <ul style="list-style-type: none"> • Automatic paycheck withdrawal before taxes are calculated • Personal check, which allows you to deduct the amount on your income tax return <p>Either way, your HSA contributions will reduce your taxable income, which, in turn, reduces your taxes.</p> <p>Your employer also may choose to contribute to your account, depending on how your plan is set up. Check your Summary Plan Description (SPD) and with your employer for details.</p>	<p>Use your HSA debit card, on-line bill pay, which come directly from your HSA, to pay for qualified medical expenses such as health care bills or any coinsurance once you've met your deductible. (See page 2 for a sample list of qualified expenses.)</p> <p>You also can use the debit card or checks to pay for prescriptions. And remember, your HDHP from Cigna covers in-network preventive care at 100 percent.¹</p>	<p>Keeping track of your HSA is easy with a simple checkbook register. Record your deposits and withdrawals, and keep receipts for tax purposes. BenefitWallet monthly statements summarize your account activity. In addition, you may link from myCigna.com to the BenefitWallet website where you can:</p> <ul style="list-style-type: none"> • Access information and tools to help you estimate contributions • Monitor contributions and withdrawals • Reorder checks • Set account balance alerts • Review investment options <p>Once your account reaches a minimum balance requirement, you may transfer money to an investment account through BenefitWallet. Review the BenefitWallet Welcome Kit or contact BenefitWallet for investment information.³</p>

Special note on women's health care

As part of your benefits, Cigna complies with the Women's Health & Cancer Rights Act, which provides coverage for:

- Breast reconstruction after a mastectomy
- Surgery and reconstruction on the other breast for a symmetrical appearance
- Prostheses and any physical complications during all stages of the mastectomy, including lymphedemas

TIP: How to pay for services before your HSA has funds

Simply pay for your health expenses from your personal account. After your HSA funds have grown, you can reimburse yourself for these expenses.⁵

For more information, call the number listed on your ID card. Find a health care professional at myCigna.com.



¹ Not all services are covered. Some preventive services, such as immunizations for travel, may not be covered under your plan. Other non-covered services/supplies may include any service or device that is not medically necessary or services/supplies that are unproven (experimental or investigational). You may need prior approval from Cigna for hospital stays and some types of outpatient care. For the specific coverage terms of your plan, refer to the Evidence of Coverage, Summary Plan Description or Insurance Certificate.

² HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. A few states do not allow pretax treatment of contributions or earnings. Contact your personal tax advisor for details.

³ Investments are subject to market fluctuation, investment risk, and possible loss of principal. You should consult a professional financial advisor prior to exercising any investment options.

⁴ [NAME OF AUTHOR, NAME OF PUBLICATION, DATE] [INCLUDE URL AS ADDITIONAL INFO IF WANTED].

⁵ Your HSA can only be used for expenses you incur on or after the date your HSA is established. Please refer to BenefitWallet for additional information on rules regarding establishment.

The HSA provider and/or trustee/custodian will be solely responsible for all HSA services, transactions and activities related thereto. Neither your employer nor Cigna is responsible for any aspects of the HSA services, administration and operation. All group health insurance policies and health benefit plans contain exclusions and limitations. For costs and complete details of coverage, see your plan documents.

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