



**Blue Cross  
Blue Shield**  
of Rhode Island



**Make the Most of  
Your Healthcare Dollars  
with an HSA**



# A smart, convenient way to pay for healthcare

**With your BlueSolutions or Access Blue New England for HSA health plan, you have the option to set up a health savings account (HSA) for qualified medical expenses.**

This guide explains how HSAs work and provides all the information you'll need to make the most of this smart, convenient savings tool.

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# Manage your healthcare spending with an HSA

**HSAs** are a simple, convenient way to save for future medical expenses. You can use them for all kinds of medical expenses—from deductibles and copays to prescriptions and X-rays. An HSA is easy to set up, easy to use, and stays with you, year after year.

**You must be enrolled** in a high-deductible health plan (HDHP) to open and contribute to an HSA. For more information, read the FAQs on page 11.


## Learn about the many advantages of HSAs

### You earn a **triple tax** advantage


An HSA works like a retirement savings account, letting you save and invest a piece of your paycheck toward healthcare costs. When you contribute to your HSA, you get a triple tax advantage:

- The money you put into your HSA may reduce your taxable income.
- Interest earned on your HSA funds is tax-free.
- The money you take from your HSA for qualified medical expenses isn't taxed.


**For a married couple in Rhode Island filing a joint tax return**

  
**\$75,000**  
Household income

>

  
**\$3,000**  
Tax-exempt HSA contribution

>

  
**\$491**  
Tax savings

This example is for illustrative purposes only and does not represent actual tax impact.

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**HSA contributions are subject to annual contribution maximums**

**2026 annual contribution maximums**

<b>Individual plans:</b>	<b>Family plans:</b>
<b>\$4,400</b>	<b>\$8,750</b>

Account holders who are 55 years or older can contribute an **extra \$1,000**.

### Your HSA stays with you, no matter what

Your HSA funds roll over, year after year. There is no deadline to use the funds, so you can hold onto the money for years—you can even wait until retirement to use it. If you leave your current employer, **your HSA is yours to keep.**

# How to use and manage your HSA

**Purchases or other qualified medical expenses can be made directly from your HSA account** by using your HSA debit card, online bill payment, or a check.

## How to manage your HSA online

- Create your member account in **BlueCare Connect**. Go to **BlueCareConnectRI.com** or download the **BlueCare Connect app** to get started.
- Look for **Your Health Plan** on your dashboard.
- Select **HSA**, where you can use the following features:

- 1 The **menu** includes helpful tools, such as view transaction history, process payments, utilize educational tools, and customize your user profile.
- 2 **My Accounts** displays the amount in your HSA, including your cash and investment balances. If you'd like to view your account management tools (such as contributions, transactions, investments, and bill pay), click the HSA balance bar.
- 3 **My Alerts** indicates if you have plan notifications available, such as quarterly statements and tax forms.
- 4 The **Pay Bills tool** allows you to send HSA payments for claims not applied toward your health plan, such as dental and vision expenses.
- 5 The **eClaims Manager tool** allows you to send HSA payments for claim copays or deductible amounts.
- 6 The **FSA Store** allows you to view eligible healthcare expenses and make qualified purchases.

The screenshot displays the 'Personal Dashboard' for Blue Cross Blue Shield of Rhode Island. It features a navigation menu (1) on the top left. The main content area is divided into several sections: 'My Accounts' (2) showing a Health Savings Account balance of \$9,158.59, with \$5,573.74 available and \$3,584.85 in investment; 'My Alerts' (3) showing a notification about an email address change; 'Pay Bills' (4) and 'eClaims Manager' (5) buttons at the bottom. A 'FSA Store' (6) icon is visible in the top right corner.

# How to fund your HSA

There are four ways you can fund your HSA.

## 1. Payroll contributions

Talk to your employer about having pre-tax dollars deducted from your paycheck and deposited directly into your HSA.

## 2. Online transfers using your [BlueCare Connect](#) account

To make a transfer, follow these steps:

- **Log in** to your [BlueCare Connect](#) account.
- Look for **Your Health Plan** on your dashboard and select **HSA**.
- Click the **HSA balance bar** in the **My Accounts** box within the dashboard.

You can process transfers to and from your HSA with this tool. **Please note:** Before initiating a transfer, you must add the personal account you want to debit by clicking [Add Bank Account](#).

## 3. Online transfers from your personal bank account to your HSA

Go to your personal bank's online banking portal and transfer the preferred amounts into your HSA. You'll need your HSA bank account number, which is located in the [My Accounts](#) box within the dashboard.

## 4. Manual funds deposit into your HSA

You can mail a check from your personal bank account to your HSA. You can find a direct deposit form by clicking on the [Documents and Forms](#) link at the bottom of your dashboard.

Please make your check payable to UMB Bank and then mail the check and the proper direct deposit form to:

UMB Bank Contributions  
PO Box 874264  
Kansas City, MO 64187-4264

## How to roll over funds from another HSA

**To transfer money from an existing HSA to your UMB HSA, please do the following:**

- Complete the UMB Rollover Form and return it to the BCBSRI HSA Administrator, London Health.
- You can find the Rollover form by clicking on the [Documents and Forms](#) link at the bottom of your dashboard.
- Once you've transferred funds to your UMB HSA, you can close your old HSA by following your bank's process.

# Use your funds for many common medical expenses

The IRS determines the list of qualified expenses and may modify that list at any time. Here are some of the most common and popular items.\*

## Qualified:

Acupuncture	Eye surgery	Nursing home
Ambulance	Hearing aids	Optometrist
Birth control pills	Hospital services	Prescription drugs
Braces	Insulin treatment	Psychiatric care
Cancer treatment	Laboratory fees	Psychologist
Chemical dependency	Long-term care	Smoking cessation programs
Childbirth/delivery	Machine tests	Surgeon fees
Chiropractor	Medicare Part D premiums	Transplants
Contact lenses	Menstrual products	Transportation for healthcare
Deductibles	Mental health	Vision expenses
Dental treatment	Neurologist	X-ray fees
Diagnostic tests	Non-prescription medicines, like cold and flu pills	
Durable medical equipment		
Eyeglasses		

## Non-qualified:

- Cosmetic surgery
- Deodorant
- Funeral expenses
- Health club dues
- Medicated shampoo and soap
- Multivitamins
- Soap
- Teeth whiteners
- Tissues
- Toiletries



\* This list is for illustrative purposes and is not a complete list of qualified medical expenses. All items on the list may be subject to further limitations. Consult your tax advisor for specific tax advice. Please see IRS Publication 502 for a more detailed listing of qualified medical expenses. This communication is not intended as legal or tax advice.

# How to pay medical expenses with your HSA

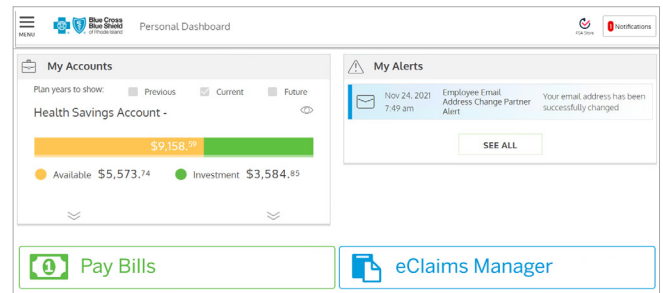
When you do have a medical expense, first verify your deductible and the amount that you owe. Then use one of these convenient options to pay with money from your HSA.

## Debit card

- If you're charged at your provider's office, you can use your HSA debit card to pay the bill right there.
- If the bill is mailed to you, you can call the provider to process your debit card payment over the phone, or you can write your debit card number on the medical bill and mail it back to the provider.

## Online bill pay/Request reimbursement

- **Log in** to your **BlueCare Connect** account.
- Select **HSA** under **Your Health Plan**.
- Click **eClaims Manager** near the bottom of your HSA dashboard.



- The **eClaims Manager** will display the claims that have been automatically uploaded by BCBSRI. Click **Request Reimbursement** for the specific claim you want.

\$96.17	<b>Eligible for Reimbursement</b> In-Network Deductible ABC Medical Associates	<b>Manual Claim</b> In-Network Deductible ABC Medical Associates Claim # Date of Service: Nov 9, 2021 Date of Transaction: Nov 21, 2021	<b>REQUEST REIMBURSEMENT</b> Mark As Paid
\$125.06	<b>Eligible for Reimbursement</b> In-Network Deductible Main Street Physicians	<b>Manual Claim</b> In-Network Deductible Main Street Physicians Claim # Date of Service: Oct 20, 2021 Date of Transaction: Nov 5, 2021	<b>REQUEST REIMBURSEMENT</b> Mark As Paid

- Review the claim information. If you want to pay the provider, click **Pay Someone Else**. If you want to pay yourself, click **Pay Me**.
- To finalize payment, click **Submit**. The funds will be withdrawn from your HSA and the payment will be sent directly to the recipient you designated.

Service Start Date \* Nov 9, 2021

Service End Date Nov 9, 2021

Claimant

Claim Amount \* \$96.17

Whom shall we pay?

Pay Provider  Pay Me

Provider Name \* ABC MEDICAL ASSOCIATES

Comments: Enter claim notes if preferred

Claim Line	Service	Your Total Responsibility	Amount you paid out-of-pocket	Your Benefit Accounts Paid	Remaining Responsibility
1	In-Network Deductible	\$96.17	\$0.00	\$0.00	\$96.17
<b>Total Claim</b>		<b>\$96.17</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$96.17</b>

continued on next page 



### Pay by HSA check

- **If you're charged at your provider's office**, you can write a check from your HSA.
- **If the bill is mailed to you**, you can write a check from your HSA and mail it to your provider.

**Please note:** You will need to order a checkbook from UMB if you would like to use this payment option. The cost of the checkbook is \$11.25.

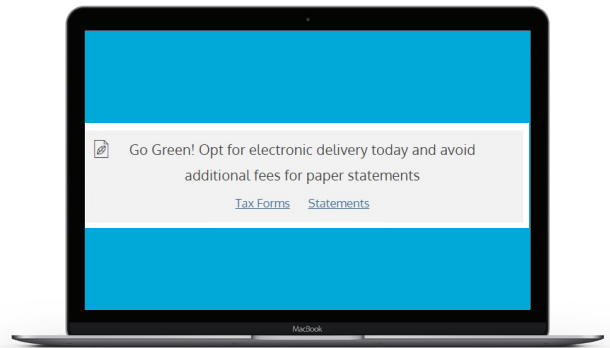
**To order your HSA checkbook**, download the [UMB HSA Signature Card Form](#) by clicking [Documents and Forms](#) at the bottom of your dashboard. Send the completed form to the address on the form. You will receive your checkbook within 7-10 business days. You will see a debit to your HSA for the purchase on your quarterly statement.

# How to opt in for electronic statements

Due to banking regulations, the BCBSRI HSA custodian, UMB, will automatically mail you account paper statements. The bank will charge a fee of \$1.50 per statement per quarter.

To avoid the fee and opt in for electronic statements instead, please do the following:

- **Log in** to your **BlueCare Connect** account.
- Go to **Your Health Plan** and select **HSA**.
- Choose **View/Benefits Account Summary** from the menu, then click **Statements** on your **Account Summary** page.



# How to invest with your HSA

## Before investing, please note the following important details:

- Investments are not FDIC-insured.
- Interest earned is tax-free.
- Minimum balance in HSA to invest = \$1,000.
- Investment account fee = \$2.50 per month.
- Investments are not guaranteed and may lose value.



**To begin investing**, click on your **HSA balance bar** in **My Accounts** on the BCBSRI HSA dashboard. Then, click the **Investment** tab.



**To manage your investments**, click **View/Trade** in the tab tool bar. You will then be automatically redirected to the UMB self-guided portfolio manager. Within this site you will have access to four tabs:

- **Summary** – Displays overview of your account and investments.
- **Invest** – Provides tools to buy/sell investments.
- **Activity** – Shows your transaction history.
- **Tools & education** – Gives you access to investment options and research resources.



Neither BCBSRI or London Health Administrators can provide investment advice to you on this program. We recommend you speak with a licensed investment advisor should you have questions about any investment.

# Answers to frequently asked questions

## **What is a health savings account (HSA)?**

An HSA is a tax-advantaged personal savings account that can be used to pay for medical, dental, vision, and other qualified medical expenses, now or later in life. To contribute to an HSA, you must be enrolled in a qualified high deductible health plan (HDHP). Your contributions are subject to annual IRS limits. The funds can be invested as an addition to your retirement portfolio.

## **Am I eligible to participate?**

In order to contribute, you must be enrolled in a qualified HDHP, cannot be covered under a secondary health insurance plan or be enrolled in Medicare, and you cannot be another person's dependent. There are no eligibility requirements to spend previously contributed HSA funds.

## **How much can I contribute to my HSA?**

2026 contributions can be made by the eligible employee, their employer, or any other individual. In 2026, annual contributions from all sources may not exceed \$4,400 for individuals or \$8,750 for families. Individuals aged 55 and over may make an additional \$1,000 catch-up contribution.

## **When does an HSA become interest-bearing?**

Many HSAs provide interest regardless of account balance, much like an interest-bearing checking or savings account. Savers can earn interest on contributions, and the interest accumulates tax-free. UMB Bank account holders can transfer HSA funds into an investment account once their HSA account balance reaches \$1,000. (UMB Bank investment accounts are subject to an additional fee, are not FDIC-insured, are not guaranteed, and may lose value.)

## **Do I have to spend all my contributions by the end of the plan year?**

No. Unlike a flexible spending account (FSA), your HSA funds roll over, year after year. The money is yours to keep and there is no deadline to use the funds.

## **Where can I learn more?**

Once you have registered for [BlueCare Connect](#), log in to your account and select [HSA](#) under [Your Health Plan](#). Here, you can find a personal dashboard showing your balances and claims history and get access to pay bills. You will also find tools and resources to help you make the most of your HSA.



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This communication has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, investment, or accounting advice. You should consult your own tax, legal, investment, and accounting advisors before engaging in any transaction. HSAs are not insurance. HSAs are individual accounts, and are subject to eligibility and restrictions, including but not limited to, restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code.

