

Health Insurance in Clark County

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Why So Few Choices and Who is Left?

- Legislative events
- Mandated Coverage
- Group Plans: PacifiCare, Regence, Kaiser, Pacific Life & Annuity, Providence
 - Association Plans; AGC, BIAW, and a few others
 - Individual plans: Regence, LifeWise WA

Premiums vs. Health Care Cost

Contributing Factors

- Mandates
- Provider Contracts
- Hospital Contracts
- Technology
- Litigation
- Fraud
- Stock Market
- Consumer Awareness
- Advanced Treatment and Prescription Drugs

Plan Changes

- Regence no longer HMO
- PacifiCare still has HMO and now has series of PPO/SDHP plans
- Kaiser HMO
- Pacific Life PPO
- Providence no longer HMO and now has PPO and EPO plans

What is new?

- PacifiCare Self Directed Health Plans
- Health Savings Accounts

How Does a Health Savings Account Work?

HSAs help you save tax-deferred if used for medical expenses.

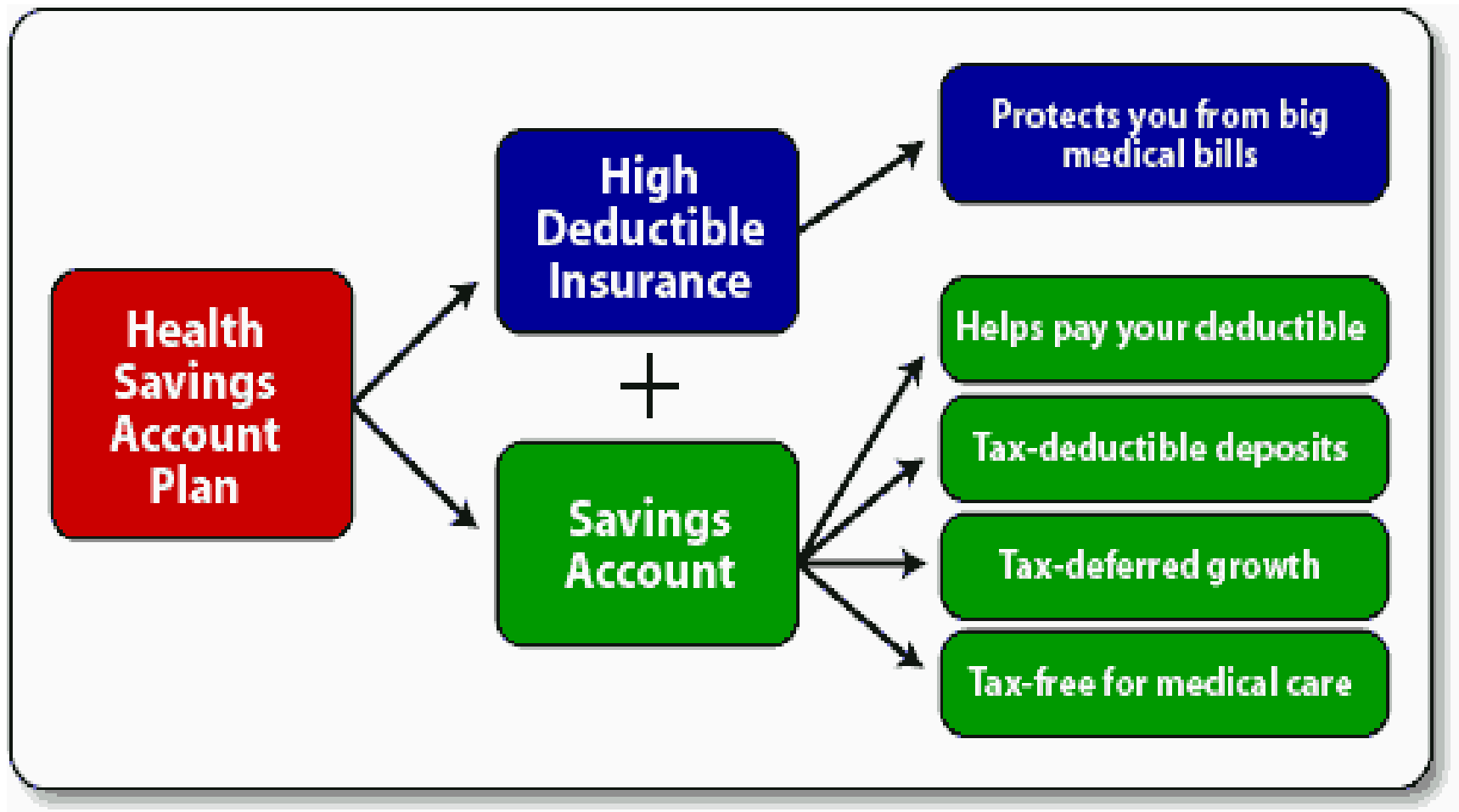
- You obtain coverage under a qualified health insurance plan with a minimum deductible of \$1,000 for singles and \$2,000 for families.

Each year you're allowed to save 100 percent of the health plan's annual deductible, up to \$2,600 for singles and \$5,150 for families in 2004.

- You use the savings account to pay for your lower-dollar medical expenses, or those that aren't covered by the health plan.

Once you meet the deductible, the health insurance covers your medical expenses as defined in the policy.

How Does a Health Savings Account Work?



What is the tax treatment of an individual's HSA contributions?

- **Deductible by the eligible individual in determining adjusted gross income (i.e., “above-the-line”).**

The contributions are deductible whether or not the eligible individual itemizes deductions. However, the individual cannot also deduct the contributions as medical expense deductions under section 213.

- **Cannot be claimed as a dependent**
- **Cannot exceed max contribution**

The Account

- Account holders can let unused balances
 - Build up from year to year
 - Invest their account funds
 - Earn investment income on the balance
 - Withdraw money for eligible medical expenses, tax free
 - Pay for qualified health related expenses that aren't covered by health plan
 - Dental, vision, OTC, etc

Thank you

- Contact Information
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