



THE EMPLOYER'S GUIDE TO:

HSA Administration

INTRODUCTION

Nearly half of American adults with workplace coverage have a high deductible health plan, but 24.5 percent do not have a Health Savings Account, according to the Centers for Disease Control and Prevention.

In other words, most employees eligible for these tax-advantaged savings accounts are not taking advantage of them. Employers have an opportunity to educate and support employees when it comes to HSAs, and provide an avenue toward offsetting out-of-pocket medical costs.

A Third-Party Administrator (TPA) is a valuable partner in offering HSA plans to employees. An HSA administrator makes the management and use of HSAs simple for employers and employees alike.

In this e-book we'll cover:

- HSA Basics
- What to look for in an HSA administrator
- Alpine's HSA Solution



Alpine is a third-party administrator that helps businesses manage benefits and COBRA, including Health Savings Accounts.

HSA BASICS

What is an HSA?

Health Savings Accounts are tax-advantaged savings accounts associated with high deductible health plans. Consumers with eligible health plans can contribute to an HSA tax-free and use the funds to pay for qualified medical expenses.

What plans are HSA eligible?

In 2021, plans with the following minimum deductibles and maximum out-of-pocket amounts are HSA-eligible:

- Minimum Deductibles
 - Self-only: \$1,400 (\$0 change from 2020)
 - Family: \$2,800 (\$0 change from 2020)
- Maximum Out-of-Pocket Amounts:
 - Self-only: \$7,000 (\$100 increase from 2020)
 - Family: \$14,000 (\$200 increase from 2020)

How much can consumers contribute?

- 2021 contribution limits:
 - Self-only: \$3,600 (\$50 increase from 2020)
 - Family: \$7,200 (\$100 increase from 2020)
 - Catch-up contributions for consumers 55 or older: \$1,000

How do HSAs work?

HSA funds can be used on qualified medical expenses, and any unused funds roll over at the end of the year. After age 65, the funds can be used to pay Medicare premiums, medical expenses, or withdrawn, though they will then be subjected to income taxes.

Triple tax-advantage

HSAs are triple tax-advantaged – consumers can contribute tax-free, funds can be spent on medical expenses tax-free, and funds can be invested and grow tax-free.

How do employees pay for qualified medical expenses?

Typically, HSA administrators provide a debit card that is connected to the HSA and allows employees to pay for qualified expenses as they would with a regular debit or credit card.

WHAT TO LOOK FOR IN AN HSA ADMINISTRATOR

Not all third-party administrators are the same. Here's what to look for in an HSA partner.

Account Access

How do employees access their HSA? Look for an administrator that provides online access through both web browsers and mobile devices. Ensure employees are able to make deposits, view balances, make payments and manage HSA debit cards.

Custodial Bank

Most HSA administrators do not have custody of HSA funds, but partner with bank to manage actual accounts. Inquire as to which bank your administrator uses. Alpine partners with Healthcare Bank, which has been involved in the custodial management of consumer-driven healthcare accounts since the inception of HSAs.

Claims Management

How does the administrator manage claims? Look for a simple and transparent claims management process. Alpine's benefits cards work only with approved vendors, ensuring all expenses are eligible. Approved claims are reimbursed within days via check or direct deposit.

Investment Opportunities

What investment options does the administrator and custodial bank provide? Through Healthcare Bank, Alpine provides multiple mutual fund investment options.

Customer Service

When it comes to managing employee benefits, customer support and service are core differentiators. Alpine is focused on providing both a delightful employee experience and dedicated support for administrators.

ALPINE'S HSA SOLUTION

Alpine is a third-party administrator that helps businesses manage Health Savings Accounts.

Founded out of group benefits brokerage Bernard Benefits and based in Nashville, Tennessee, Alpine is a technology-supported TPA focused on providing streamlined benefits administration to today's modern businesses.



Learn more at www.AlpineTPA.com.