

Gain control with a health savings account

Your Anchor Choice plan gives you access to a health savings account (HSA) that gives you more control over the money you spend on doctors, drugs, and tests. The State’s annual contribution to your HSA will be \$1,650 if you have individual coverage or \$3,300 if you have family coverage.¹ This contribution is enough to cover the entire annual deductible for the Anchor Choice Plan!

An HSA is a great way to save money. You are able to receive an annual contribution from the State and you can make contributions as well. Once your balance reaches \$1,000, you can invest the money in your account for even greater earnings potential.

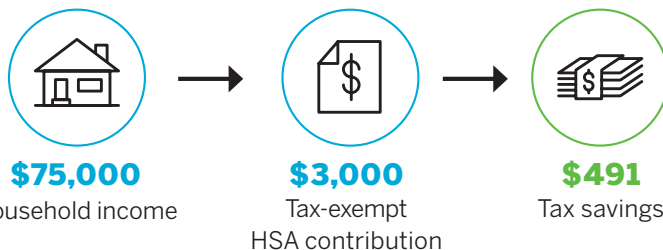
Your HSA is a little like a retirement account for medical expenses. When you put money into your HSA, you get a **triple tax advantage**:

- The money you put in may reduce your taxable income
- Interest you earn in an HSA is tax-free
- The money isn’t taxed when you spend it on qualified medical expenses

The money in your HSA rolls over from year to year so you can use it any time, even in retirement.

The money is yours. You never lose it.

Tax savings example* for a married couple in Rhode Island filing a joint tax return.



2025 annual contribution maximums

Individual plans: \$4,300
Family plans: \$8,550

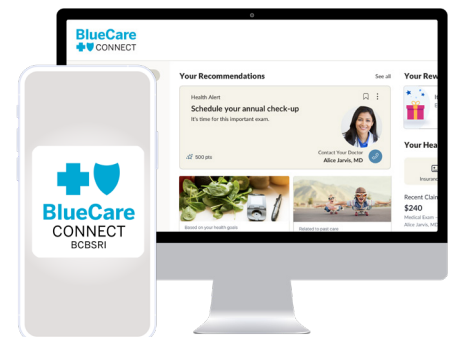
If account holder is 55 years or older, they can contribute an extra \$1,000.

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

Register with BlueCare Connect

On or after January 1, 2025, follow these steps to register with BlueCare Connect.

1. Download the BlueCare Connect app or go to BlueCareConnectRI.com.
2. Follow the registration prompts.
3. Once registered, you can access your HSA and other health benefits information—and much more.



Use BlueCare Connect to access your HSA

- Log in to your BlueCare Connect account.
- Look for your HSA under “Benefits” on your dashboard.

Learn about eligible/ineligible expenses*

Funds you withdraw from your HSA are tax-free when used to pay for qualified medical expenses. The expenses must be primarily to alleviate or prevent a physical or mental disability or illness. A complete list and discussion of these expenses is available on the IRS website. The IRS may modify this list at any time.

Eligible

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

Ineligible

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



Have questions? We're here to help!

Call the **State of Rhode Island Employee CARE Center (401) 429-2104** or **1-866-987-3705**
Monday – Friday, 8:00 a.m. to 8:00 p.m. Saturday, 8:00 a.m. to noon

¹Contributions are made biannually with half deposited in January and the other half deposited in July. The State's HSA contributions are not pro-rated for employees that enroll after January 1 and July 1.

*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 has been prepared for informational purposes only, and is not intended to provide, and should not be relied on, for tax, legal, or accounting advice. You should consult your own tax, legal, 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.



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