

# Product Comparison

CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. (CareFirst) offer BlueFund products to help you manage health care expenses. The information below explains the differences between a health savings account (HSA) and health reimbursement arrangement (HRA).

	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)
<b>What is it?</b>	<p>HSAs are individual expense accounts owned by employees that allow for tax-free payment or reimbursement of eligible medical expenses.</p> <p>To make contributions to an HSA, an employee:</p> <ul style="list-style-type: none"> <li>■ Must be enrolled in an HSA-qualified health plan</li> <li>■ Cannot be covered by another health plan</li> <li>■ Cannot be listed as a dependent on someone else's taxes</li> <li>■ Cannot be enrolled in Medicare</li> </ul> <p>Companies can make tax-free contributions to an eligible employee's HSA.</p>	<p>HRAs are employer-funded, tax-advantaged plans used to reimburse employees for eligible expenses.</p> <p>Spouses and dependents are also eligible to have medical expenses reimbursed with qualifying insurance coverage.</p>
<b>Who is eligible?</b>	<p>Must have an HSA-qualified health plan with a minimum deductible:</p> <ul style="list-style-type: none"> <li>■ 2020: \$1,400 individual/\$2,800 family</li> <li>■ 2021: \$1,400 individual/\$2,800 family</li> </ul>	<p>All full-time employees, and potentially part-time employees. Owner eligibility is dependent on corporate structure.</p>
<b>Who can contribute?</b>	<p>Employer, employee or third party (virtually anyone)</p>	<p>Employer only</p>
<b>What's the maximum contribution?</b>	<ul style="list-style-type: none"> <li>■ 2020: \$3,550 individual/\$7,100 family</li> <li>■ 2021: \$3,600 individual / \$7,200 family</li> </ul>	<p>None</p>
<b>Is it tax-advantaged?</b>	<p>Yes</p> <ul style="list-style-type: none"> <li>■ Pre-tax contributions</li> <li>■ Tax-free interest</li> <li>■ Tax-free withdrawals for eligible expenses</li> </ul>	<p>Yes</p> <ul style="list-style-type: none"> <li>■ Tax-free withdrawals for eligible expenses</li> </ul>

	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)
<b>What are considered eligible expenses?</b>	<p>Medical expenses that your plan may cover:</p> <ul style="list-style-type: none"> <li>■ Out-of-pocket expenses until you reach your deductible</li> <li>■ Copayments, coinsurance and prescription drugs</li> <li>■ Dental and vision care expenses not covered by your plan</li> <li>■ Long-term care premiums</li> </ul>	<p>Typically the same expenses that your health plan covers. Covered expenses include:</p> <ul style="list-style-type: none"> <li>■ In-network doctor visits</li> <li>■ Inpatient or outpatient hospital care</li> <li>■ Diagnostic exams</li> <li>■ Prescription medications</li> </ul>
<b>What are NOT considered eligible expenses?</b>	<ul style="list-style-type: none"> <li>■ Health insurance monthly premiums</li> <li>■ Expenses unrelated to medical treatment or care as defined by the IRS</li> </ul>	<ul style="list-style-type: none"> <li>■ Family or marriage counseling</li> <li>■ Cosmetic procedures</li> <li>■ Personal items such as toothpaste, lotions or shaving supplies</li> <li>■ Herbs, vitamins and supplements</li> <li>■ Non-prescribed over-the-counter medicines (except insulin)</li> <li>■ Any other items or services not used for medical treatment and care as defined by the IRS</li> </ul>
<b>What about keeping receipts?</b>	It's important to save all your receipts and explanation of benefits (EOB) statements to validate expenses, as required by the IRS.	
<b>Do unused funds at the end of the year roll over?</b>	Yes	No
<b>Who administers the account?</b>	The employee owns and manages the account with a third-party administrator, like Further <sup>SM*</sup>	The employer or third-party administrator, like Further
<b>What if I leave my job?</b>	You take your money with you. You have continued access to unused funds in the account if you leave or retire.	You can't take it with you. Funds in the account cannot be maintained if you leave your job or retire.

Further is an independent company that provides administrative services for CareFirst BlueCross BlueShield consumer-directed health care plans and incentive cards. Further does not sell BlueCross or BlueShield products.

CareFirst BlueCross BlueShield is the shared business name of CareFirst of Maryland, Inc. and Group Hospitalization and Medical Services, Inc. CareFirst of Maryland, Inc., Group Hospitalization and Medical Services, Inc., and CareFirst BlueChoice, Inc. are independent licensees of the Blue Cross and Blue Shield Association. The Blue Cross® and Blue Shield® and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.