



2019 Benefits Open Enrollment

Introducing the Benefits of the Choice Saver HSA

Get the most out of the Choice Saver HSA Plan

The **Choice Saver HSA** is a **qualified High Deductible Health Plan (HDHP)**. A High Deductible Health Plan (HDHP) is a health plan that combines a Health Savings Account (HSA) with traditional medical coverage. The HDHP provides medical and prescription drug insurance coverage through Blue Cross and Blue Shield of Texas, and the HSA provides a tax-advantaged way to help pay for current medical expenses and save for future medical expenses.

The Choice Saver HSA is designed to give you greater flexibility and control over how you use your health care dollars. The plan pairs a lower per month premium cost with higher annual deductibles. The cost of covered services is shared between you and the plan only after you meet the annual deductible. Once you meet the annual deductible, the plan will share in the costs up to the annual out-of-pocket maximum, at which time the plan will pay 100%.

How the Choice Saver HSA Works

1	Preventive Care (Covered at 100%)	Your in-network preventive care will be covered at 100% with no out-of-pocket cost to you and is not subject to a deductible. This includes routine physicals, well-child checkups, immunizations, flu shots, cancer screenings, as well as certain preventive prescription medications.
2	Annual Deductible (You pay 100%)	You pay for 100% of the non-preventive care, including the cost for prescriptions, until you meet the annual deductible. There are different annual deductibles for in-network and out-of-network care that accumulate separately. For coverage levels other than employee only, all eligible family members contribute toward the family deductible.
3	Coinsurance (Shared costs)	Once you meet your annual deductible, you and the plan share any further covered costs for medical or pharmacy through coinsurance until you meet your out-of-pocket maximum. Generally, for in-network care and in-network pharmacies, you pay 20% and the plan pays 80%.
4	Out-of-Pocket Maximum (Plan pays 100% after you reach this amount)	To protect you financially, the plan limits the amount you have to pay each year for medical care and prescription drugs. Once you meet the in-network out-of-pocket maximum (\$4,000 individual; \$7,000 family), the plan will pay 100% of your qualified expenses for the remainder of the year.

There are many similarities between the Choice Saver HSA and the Choice Plus PPO, including:

- ✓ Comprehensive medical and prescription drug coverage in one plan
- ✓ Access to the preferred provider network of Blue Cross Blue Shield providers
- ✓ Covered preventive care paid at 100%, with no deductible when you use an in-network provider
- ✓ Discounted fees for covered expenses when you stay in-network
- ✓ Access to MDLIVE's board-certified doctors, virtual technology to treat non-emergency conditions by mobile app, video or phone
- ✓ Resources to help you get healthy and stay healthy

The Choice Saver HSA Plan At-a-glance

IMPORTANT!

Choice Saver HSA Family Deductible and Out-of-pocket Maximum



If you cover any dependents, you must meet the entire family deductible before the plan begins paying for your qualified medical or prescription drug expenses. One family member, or all family members combined, can satisfy the deductible. The full family annual deductible of \$4,000 must be met before the plan begins to pay benefits.

Once the family deductible is met, the plan will pay 80% of qualified expenses until the in-network out-of-pocket maximum of \$7,000 is met. The plan covers 100% of qualified charges for the remainder of the plan year. The full family out-of-pocket maximum must be met before the plan will pay 100%.

Note: In-network deductibles count toward your out-of-pocket maximum.

Key Features of the Plan

Benefit	In-Network	Out-of-Network
Preventive Care	100% covered, no deductible	
Annual Deductible <i>(Includes prescription drug expenses)</i>		
• Individual	\$2,000	\$4,000
• Family	\$4,000	\$8,000
Out-of-pocket Maximum <i>(includes deductible and coinsurance)</i>		
• Individual	\$4,000	\$8,000
• Family	\$7,000	\$14,000
Coinsurance	20% after deductible	50% after deductible
Physician & Outpatient Services	20% after deductible	50% after deductible
Emergency Care	20% after deductible	20% after deductible
Prescription Retail <i>(30 day supply)</i>		
• Generic	20% after deductible	50% after deductible
• Preferred brand name	20% after deductible	50% after deductible
• Non-preferred brand name	20% after deductible	50% after deductible
• Specialty	30% after deductible (up to \$125 maximum)	60% after deductible (up to \$250 maximum)

Health Savings Account

Genesis Energy's Contributions

• Individual	\$500
• Family	\$1,000

Total Contribution allowed by IRS*

(Employee + Company)

• Individual	\$3,500
• Family	\$7,000

*You may contribute an extra \$1,000 if age 55+

Keeping Your Costs Down

The Choice Saver HSA supports physical and financial wellness by encouraging you to become an informed health care consumer.

Check if your doctors are in-network. You can receive care from any provider you choose, regardless of network participation. However, using in-network providers and services will save you money on your visits. If you use out-of-network providers, you will pay more, and you may be required to submit claim forms.

Compare quality and costs. Since you must meet your deductible before the plan kicks in for coverage, it's in your best interest to shop around before choosing a provider. Different medical practices, hospitals, and pharmacies may charge different fees and offer different levels of service. Call the provider to ask questions before making your choice.

Practice preventive care. Routine physicals and certain preventive screenings are fully covered when received from in-network providers. Detecting any issues early-on can potentially prevent more serious and costly conditions from developing.

Manage chronic illness. If you, or your family member, have a chronic condition, such as diabetes, asthma, or lower back pain, it's very important to follow through on the course of treatment.

Invest in a Health Savings Account (HSA) and save on your taxes. With the Choice Saver HSA, you must meet the deductible before the plan shares the cost of care for services, other than in-network preventive care. To help you budget and save for the deductible, the Choice Saver HSA features an HSA with important tax advantages, as well as a company contribution to your account.

Take advantage of wellness program. These include annual flu shots and health screenings, through Genesis Energy and BCBSTX.

Questions? Visit hr.genesisenergy.com for more information.

About Your Health Savings Account (HSA)

An HSA is an individual account used in conjunction with the Choice Saver HSA to cover qualified out-of-pocket medical expenses on a tax-advantaged basis. Your HSA belongs entirely to you and can be used to pay for both current and future qualified medical expenses for you and your eligible dependents. You can contribute to your account, withdraw contributions to pay for current qualified medical expenses, and potentially grow your account on a tax-free basis by investing your savings in a wide array of investment options.

Your HSA allows you to pay for qualified health care expenses, including your deductible, with tax-free dollars that you set aside each pay period. Genesis Energy will contribute \$500 for individual coverage and \$1,000 for family coverage to your account.

An HSA is one of the few savings vehicles that offers a triple tax advantage:

- 1 Tax-free contributions:** You can make contributions to your HSA on a pre-tax basis to supplement Genesis Energy's contribution. This lowers your taxable income. Genesis Energy's contribution is tax-free to you, too.
- 2 Tax-free earnings:** Your HSA grows tax-free. When you open your Fidelity HSA, a brokerage account, you can choose to invest in a wide variety of investment options depending on your investment objective, time horizon, and risk tolerance. Any interest or investment earnings on your account are not taxed.
- 3 Tax-free distributions for qualified expenses:** You do not pay taxes on money you withdraw, provided you spend that money on eligible health care expenses.

Note: Money in an HSA grows tax-free and can be withdrawn tax-free as long as it is used to pay for qualified health-related expenses (a list of qualified expenses can be found in *IRS Publication 502*, available at www.irs.gov). If money is used for unqualified expenses, you will pay ordinary income tax on the amount withdrawn, plus a 20% penalty tax if you withdraw the money before age 65. After age 65, you can withdraw the money for any purpose with no penalty, but would still pay ordinary income tax.

To qualify for an HSA:

- You **must** be enrolled in a qualified HDHP (The Choice Saver HSA is a qualified HDHP).
- You **cannot** be covered by other health insurance.
- You **cannot** be claimed as a dependent on someone else's tax return.
- You **cannot** be enrolled in Medicare.

Genesis Energy Contributes, too!

Genesis Energy will contribute to your Health Savings Account (HSA) to help you cover your out-of-pocket expenses (\$500 for individual coverage / \$1,000 for family coverage). In addition, you can contribute your own money through pre-tax deductions from your paycheck, which will help you save on taxes and plan ahead for health care expenses. Any unused money at the end of the plan year carries over to the following plan year. You will never forfeit your balance—even if you leave the company or retire.



Why you should consider an HSA

This combination may offer some tax and savings advantages over traditional health care plan options—no matter if you're a low, medium, or high user of health care services.

Control. You determine how much to contribute (up to your maximum annual contribution limit per IRS rules), when and how to invest your contributions, and whether to take an HSA distribution to pay for current qualified medical expenses, or let your contributions stay invested for future growth potential.

Tax savings. When used for qualified medical expenses, HSAs offer a triple tax savings—contributions, investment earnings, and distributions are tax free.

Growth potential. You have the opportunity to invest your contributions in a wide array of investment options—including stocks, bonds, and mutual funds—for potential growth of your account over time.

Flexibility. Any unused balance in your account will automatically carry over from year-to-year so you can begin to build your savings for future qualified medical expenses.

Portability. Your HSA belongs to you, even if you change jobs or become unemployed, change your medical coverage, move to another state, or change your marital status.

Questions? Visit hr.genesisenergy.com for more information.

How Much To Contribute To Your HSA

Deciding how much to contribute to your HSA is a personal decision. Consider the following:

The annual limit under the Internal Revenue Code. In 2019, you can contribute a maximum of \$3,500 for individual coverage or \$7,000 for family coverage, including any amount contributed by Genesis Energy. If you will be age 55 or older in 2019, you can make an additional contribution of \$1,000.

Your annual deductible. You may want to have enough money set aside in your HSA to meet your annual deductible amount (\$2,000 individual / \$4,000 family for in-network providers). Keep in mind that Genesis Energy contributes \$500 for individual coverage and \$1,000 for family coverage (prorated in compliance with IRS regulations based on entry date into the plan). The Company's contribution can help you pay your initial out-of-pocket expenses before reaching your deductible.

Your premium savings. Compare how much you would have spent in premiums for the Choice Plus PPO to the premiums required for the Choice Saver HSA. Then, consider contributing the difference into your HSA, up to the maximum contribution limit.

Your account balance. Check your account balance throughout the year. You can only spend HSA dollars that have already been deposited into your account. You can increase or decrease your contribution amount throughout the year with changes effective the first pay period of the following month.

Your future health care expenses. HSA contributions roll over year after year. The money in your HSA is always yours to keep—even if you leave the company or retire. If you don't need to use your HSA funds now, consider saving for future health care expenses by contributing to your HSA to take advantage of income tax savings.

Get All the Facts



IRS *Publication 969*, available online at www.irs.gov, is specific to the HSA and other tax-advantaged accounts. It contains detailed information about HSA qualifications, contributions and distributions and explains how your HSA contributions will affect your tax return.

Tax Rules to Keep in Mind

Don't contribute more than the annual IRS limit. If your contributions exceed the IRS limit, the excess amount will be subject to standard income tax rates plus a 6% penalty.

Save your receipts in case of an IRS audit. You're responsible for providing substantiation that proves that you used your HSA for qualified health-related expenses. If you use your HSA funds for expenses other than qualified health-related expenses, you will owe taxes on the withdrawal, as well as a 20% penalty tax on those funds (tax penalty not applicable when age 65+). If you use an outside credit card or personal cash to pay for an expense, you can use your HSA to reimburse yourself, but make sure to keep the receipt as proof.

Disclose all HSA contributions and withdrawals on your taxes. You'll need to submit Form 8889 along with your tax return. Fidelity Investments will provide information on HSA contributions and disbursements that you can use when filling out the form. In addition, your Form W-2 will display the total amount Genesis Energy contributed to your HSA.

Pay for expenses now and in the future — even during retirement

Your unspent HSA dollars carry over year after year and stay with you even if you leave the company or retire. This means you can use accumulated funds in your HSA to pay for qualified expenses over time, including during retirement. And don't forget, not only does your HSA balance earn interest, you have the option to invest and further grow your balance tax-free. Note: growth based on investment options is not guaranteed.

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