



# CareFirst Sales Flash

For Distribution to Brokers Only  
(Not intended for distribution to Groups and Members)

Date: October 30, 2017

Market: 1-50, 51+ Risk & ASO Groups (MD, DC, VA)

## 2018 Health Savings Account (HSA) Limits - Revisions

In an effort to clarify the 2018 HSA Limits sales flash (October 2, 2017) the information below in **red** has been revised.

The Internal Revenue Service (IRS) announced the 2018 inflation adjusted amounts for Health Savings Accounts (HSA), which include annual HSA contribution limitations and minimum required deductible amounts for qualified High Deductible Health Plans (HDHP). The chart below outlines these changes which are **effective January 1, 2018 and upon your renewal**.

IRS HSA Limits	2017	2018
<b>HSA Contribution Limits</b>		
Individual Coverage	\$3,400	\$3,450
Family Coverage	\$6,750	\$6,900
<b>HSA Minimum Required Deductibles</b>		
Individual Coverage	\$1,300	\$1,350
Family Coverage	\$2,600	\$2,700

### Important:

Due to these changes, all \$1,300 HSA BlueFund and Compatible plans are no longer considered qualified HSA/HDHPs.

To remain in compliance with the new IRS guidelines, accounts offering one or more impacted plans listed in the following charts will be required to take one of the following actions:

### For Maryland MSGR (1-50) Grandfathered Business:

- Accounts may select another actively marketed ACA plan design** upon renewal to retain their HSA funding arrangement. **If this option is chosen, the account will lose their grandfathered status.** Plan considerations are provided in the chart below.
- If no action is taken** and an alternative plan is **not** actively selected upon renewal, the account will be renewed in their existing \$1,300 deductible plan, however their HSA funding arrangement will be removed.

Maryland MSGR (1-50) Plans	The option below is no longer available:	
Impacted Plans:	<b>Option 1- If you wish to retain your HSA funding arrangement, you may want to consider:</b>	<b>Accounts that wish to retain their HSA funding arrangement may want to consider:</b>
BlueChoice HMO OA HSA Option 6 (\$1,300)	<del>BlueChoice HMO OA HSA Option 4 (\$1,500 Ded.)</del>	2018 ACA Plan: BlueChoice HMO HSA/HRA Silver 1500
BluePreferred HSA Option 7 (\$1,300)	<del>BluePreferred HSA Option 8 (\$1,500 Ded.)</del>	2018 ACA Plan: BluePreferred PPO HSA/HRA Silver 1500
BlueChoice Opt-Out Plus OA HSA Option 3 (\$1,300)	<del>BlueChoice Advantage HSA option 1 (\$1,500 Ded.)</del>	2018 ACA Plan: BlueChoice Plus HSA/HRA Silver 1500



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## Small Group (1-50) Washington D.C. and Virginia Grandfathered Business:

1. **Accounts wishing to retain their HSA funding arrangement and grandfathered status** may want to consider a plan listed in the chart below under Option 1.
2. **Accounts may select another actively marketed ACA plan design** upon renewal to retain their HSA funding arrangement. **If this option is chosen, the account will lose their grandfathered status.** Plan considerations are provided in the chart below under Option 2.
3. **If no action is taken** and an alternative plan is *not* actively selected upon renewal, the account will be renewed in their existing \$1,300 deductible plan, however their HSA funding arrangement will be removed. The charts below outline alternative plan options by jurisdiction.

Washington, D.C. (1-50) Grandfathered Plans		
Impacted Plans:	Option 1- Accounts that wish to retain their HSA funding arrangement <b>and grandfathered status*</b> may want to consider:	Option 2: Accounts that wish to retain their HSA funding arrangement may want to consider:
BluePreferred HSA Option 6 (\$1,300)	BluePreferred HSA Option 8 (\$1,500 Ded.)	2018 ACA Plan: BluePreferred PPO HSA/HRA Silver 1500
BlueChoice HMO OA HSA Option 6 (\$1,300)	BlueChoice HMO OA HSA Option 4 (\$1,500 Ded.)	2018 ACA Plan: BlueChoice HMO HSA/HRA Silver 1500
BluePreferred HSA Option 7 (\$1,300)	BluePreferred HSA Option 9 (\$1,500 Ded.)	2018 ACA Plan: BluePreferred PPO HSA/HRA Silver 1500
BlueChoice Opt-Out Plus OA HSA Option 6 (\$1,300)	No grandfathered HSA plan is available	2018 ACA Plan: BlueChoice Plus HSA/HRA Silver 1500

Virginia (1-50) Grandfathered Plans		
Impacted Plans:	Option 1: Accounts that wish to retain their HSA funding arrangement <b>and grandfathered status*</b> may want to consider:	Option 2: Accounts that wish to retain their HSA funding arrangement may want to consider:
BluePreferred HSA Option 6 (\$1,300)	BluePreferred HSA Option 8. (\$1,500 Ded.)	2018 ACA Plan: BluePreferred PPO HSA/HRA Silver 1500
BlueChoice HMO OA HSA Option 6 (\$1,300)	BlueChoice HMO OA HSA Option 7 (\$1,500 Ded.)	2018 ACA Plan: BlueChoice HMO HSA/HRA Silver 1500
BluePreferred HSA Option 7 (\$1,300)	BluePreferred HSA Option 9 (\$1,500 Ded.)	2018 ACA Plan: BluePreferred PPO HSA/HRA Silver 1500
BlueChoice Opt-Out Plus OA HSA Option 6 (\$1,300)	No grandfathered HSA plan available	2018 ACA Plan: BlueChoice Plus HSA/HRA Silver 1500

**\*The plans featured in the charts above are listed as alternative plan options for consideration.** Accounts and individuals should consult with their legal advisor to determine whether the purchase of a new HSA compatible plan will impact their grandfathered status.



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## Mid-Market (51-199) Risk/ASO:

1. **Accounts may select from our entire actively marketed product portfolio.** The plans outlined below are suggested suitable alternatives that will retain an HSA funding arrangement.
2. **If no action is taken** and an alternative plan is **not** actively selected upon renewal, account will be renewed in their existing \$1,300 deductible plan, however their HSA funding arrangement will be removed. The chart below outlines alternative plan options.

Mid-Market (51-199) Impacted Plans:	Accounts that wish to retain their HSA funding arrangement may want to consider the alternative plans listed below:
BlueChoice HMO Open Access Option 1	BlueChoice HMO Open Access Option 4 (\$1,500 Ded.)
BlueChoice HMO Open Access Option 6	
BluePreferred HSA Option 6	BluePreferred HSA Option 8 (\$1,500 Ded.)
BluePreferred HSA Option 7	
BlueChoice Opt-Out Plus Open Access Option 6	BlueChoice Opt-Out Plus Open Access Option 4 (\$1,500 Ded.)

\*The 51-199 Risk/ASO plans outlined above are suggested suitable alternatives that will retain an HSA funding arrangement.

## Large Group (200+) Risk/ASO:

200+ risk and ASO accounts with BlueFund and compatible \$1,300 HSA plans should consult with their account representative to discuss options for changing their plans to meet the new IRS minimum deductibles.

Accounts may also wish to consult with their own accountants and/or legal counsel to discuss any financial and legal impacts of the new increase in individual and family minimum deductibles for qualified HSA plans.

### Tax Warning for Maryland plans only:

**Male Sterilization tax warning** – Under IRS rules for high deductible health plans (HDHP), only preventative care benefits can be provided without a deductible. Maryland law requires all plans to cover male sterilization as one of the preventive care benefits for HDHPs. The Maryland Insurance Administration is aware of this issue and has asked the IRS to treat male sterilization as a preventative benefit. If you actively fund a Health Savings Account (HSA) in Maryland, you may be subject to tax penalties if the IRS does not recognize male sterilization as a preventive benefit. Please contact your tax professional if you have further questions.

Should you have any questions, please contact your broker sales representative or account representative.

Sincerely,

Shekar Subramaniam  
Vice President, Sales  
Small Medium SBU