

Types of health spending accounts

Health savings account, or HSA

A health savings account is like a long-term savings account you can use to pay for health care expenses.

These accounts go hand-in-hand with your insurance, but you'll need to have an HSA-eligible plan to open and contribute to one. You can put money into your HSA directly from your paycheck before taxes and spend it whenever you'd like. You can also save by depositing post-tax money in your account and deduct your contributions from your income tax.

HSAs also work like a health care retirement plan because you can set aside money for your expenses. If you take money out for non-qualified medical expenses before you're 65, you'll have to pay a penalty on top of income taxes.

Health reimbursement arrangement, or HRA

A health reimbursement arrangement is a fund set up by your employer. They set aside a certain amount of money each year for you to use for medical expenses not covered by your health plan, such as deductibles or coinsurance. Only your employer can put money into your HRA.

Flexible spending account, or FSA

A flexible spending account is set up by your employer. They own the account, but you contribute to the account and get to decide which qualified medical expenses to pay with it. What makes it flexible? It works with most of our PPO employer-sponsored health plans. Blue Care Network does not offer HMO FSA plans.

HSA vs. HRA vs. FSA: how they're different

Let's start with what they have in common. You can use these accounts to pay for qualified medical expenses, such as deductibles and copays. A debit card may also be available depending on your plan. Where they differ is the kind of health plan they work with, who owns the account, who controls it and who can put money into it.

View the chart below for more comparisons.

Account Features	HSA	HRA	FSA
You can use it to pay your deductibles or copays.	✓	✓	✓
You can use the money in the account before it's fully funded.	✓	✓	✓
You own the account.	✓		
Your employer owns the account.		✓	✓
It can be used as pre-tax payroll money or post-tax money.	✓		✓
You can invest the money.	✓		
A debit card may be available, but it won't be for all plans.	✓	✓	✓