

Overview: Health Care Financing Vehicles



	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)	Flexible Spending Account (FSA)
Overview	Tax-exempt, portable, personal trust account for medical expenses available to most individuals and through employers. Must be paired with a high deductible health plan (HDHP) that satisfies law (further IRS guidance expected).	Employer bookkeeping account for medical expenses that allows carryover, accumulation. Not portable.	Employer bookkeeping account for medical expenses funded by employee pre-tax contributions. No portability, accumulation. "Use it or lose it."
Who is eligible?	Generally, individuals under age 65 who are enrolled in an HDHP and have no other health plan (with exceptions). Individual may purchase HDHP and HSA independent of employment relationship.	Employees of any size company. Not available to self-employed individuals (including sole proprietors, partners) and other owners/directors specified by the IRS.	Employees of any size company. Not available to self-employed individuals (including sole proprietors, partners) and other owners/directors specified by the IRS.
Who can contribute to the account?	Individuals and employers	Employers	Employees and employers
Can the money be invested and the employee earn interest?	YES	NO, but employer can credit "phantom" interest	NO
Can the employee use the funds for more than qualified medical expenses?	YES, but penalties apply	NO	NO
Can the employees take the money with them if they change jobs or retire?	YES	NO	NO



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