



More-Affordable Insurance?

HSAs could increase patients' access to affordable health insurance by speeding the adoption of electronic health records. Banks such as **Exante Financial Services**, started in Utah by Minneapolis-based UnitedHealth Group to manage its HSAs, are exploring the new model. Exante's HSA customers carry magnetic-stripe cards linked to the bank that could allow doctors to be reimbursed instantly instead of 30 to 90 days later. To do that, says University of Minnesota associate professor Stephen Parente, Exante collects medical and billing information in one place—and that information is tied directly to HSA customers. "If you

On the Money

A Healthy Investment

New rules make HSAs an even better way to save for a rainy day.

HEALTH SAVINGS ACCOUNTS (HSAs) ARE FAST BECOMING THE MEDICAL EQUIVALENT of IRAs, the popular tax-sheltered individual retirement savings accounts. Tied to high-deductible health insurance plans, the accounts accumulate pretax earnings toward medical expenses, and the money remains **untaxed** when it's spent. Because balances can roll over year to year, HSAs are an increasingly attractive **long-term investment tool** for those who are healthy now but expect to pay more for medical care as they age. The latest news makes the plans even more useful as an investment: Restrictions that once limited contributions to the insurance deductible have been lifted. For 2008, individuals can put away \$2,900, and a family's limit is \$5,800. That exceeds minimum required deductibles for these insurance plans, which are \$1,100 for individuals and \$2,200 for families. Stephen Parente, an associate professor at the University of Minnesota's Carlson School of Management,

studies the accounts and plans to use the new rules to invest the \$5,000 he's saved in his HSA in a strong equity growth fund. "As long as I have catastrophic insurance, the deductible kicks in and doesn't threaten additional money I earn," Parente says. You also can get a **one-time transfer of funds** to your HSA from your IRA or your employer's flexible-spending or health reimbursement accounts. And even if you drop your high-deductible health plan, you still can maintain and spend your HSA funds indefinitely. ■—Sara Aase

Maximize your investment. Read the latest HSA rules at irs.gov/publications. Click on Publication 969.



can click on your lab work and see the results, you've got some health history that would allow you to **shop for insurance rates**," Parente says. "And if people are allowed to shop according to what their real risk is, that will make premiums go down." Compare traditional health and HSA plans at hsafinder.com/comparison_calculator.shtml.