

HORIZON HIGHLIGHT

April 2025

Healthcare costs are at an all-time high, placing a significant financial strain on many Americans. Affording necessary care has become increasingly difficult as inflation continues to drive up the price of everything, from premiums to prescriptions. One effective and empowering solution to manage these rising expenses are Health Savings Accounts (HSAs). More than 61 million Americans have an HSA.

If you want to learn more about HSAs, please contact J.P. Wieske at Jpwieske@horizondc.com.

What is an HSA?

Designed to work alongside high-deductible health plans (HDHPs), HSAs allow individuals and families to save money in an account to use for a wide range of healthcare expenses.

Offering a triple tax advantage, HSAs help account holders maximize their healthcare savings. HSA account balances are owned by the account holder, enabling them to plan and save for both short and long-term medical expenses. As healthcare costs continue to rise, HSAs are an essential tool for more cost-effective healthcare planning.

Why are HSAs important?

27% of adults went without some form of medical care because of cost.

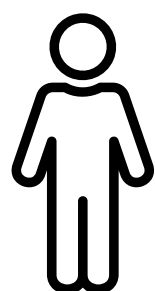
HSAs can be used to pay for items and services not covered by insurance.

Because deposits are tax preferred, each dollar spent from an HSA provides a 10-37% discount.

Triple Tax Advantage

- 1. Tax-Deductible Contributions:** Contributions reduce an individual's taxable income
- 2. Tax-Free Growth:** Funds in an HSA grow tax-free over time
- 3. Tax-Free Withdrawals:** Withdrawals for qualified medical expenses are completely tax-free

Maximum Contributions



Individual: **\$4,300**



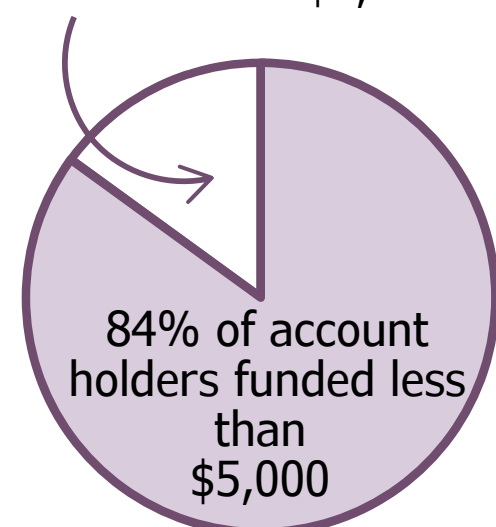
Family: **\$8,550**

Individuals, employers, or anyone else on individual's behalf can contribute to an HSA.

HSAs can cover...

- Doctor and Hospital Visits
- Prescription Drugs (ex. Insulin)
- Insurance Cost Sharing
 - Deductibles
 - Copays
 - Coinsurance

15% of account holders funded more than \$5,000



Congressional Outlook

Congress is focused on strengthening HSAs as a means of promoting consumer-driven decision-making, empowering individuals to take control of their healthcare with innovative tax-advantaged savings for medical expenses. Critics argue HSAs primarily benefit higher-income individuals and may not address broader affordability issues; however, expanding access and modernizing rules can help more Americans take advantage of these accounts.