Taking
steps in
the right
direction

Make the most
of your employee
benefits

How much cash
should you keep
in your Health
Savings Account?

5 ways to be a
better health
care consumer
69% of people who are happy with their Health Savings Account-eligible health plan have gotten support from family, friends, and co-workers.

Don’t go it alone. Talk to the people you trust.

- How do I keep my receipts organized?
- Can I invest the money in my HSA?
- Do I lose the money in my HSA at the end of the year?
- How do I handle a big bill before I have money in my HSA?
- What counts as diagnostic care and what’s preventive care?
- Can I invest the money in my HSA?
- Do I have to pay for my kids’ annual physicals?
- Do I lose the money in my HSA at the end of the year?
- How do I keep my receipts organized?
Welcome message

The end of the year is such a busy time! The kids are going back to school, work is in full swing again, the holidays are rushing toward us, and we’d still like to spend a few nice days outside before the weather turns.

On top of that, it’s also the time of year when you are asked once again to think about your workplace benefits—a topic many people find daunting.

If something is going to fall through the cracks, it may be that last thing—annual enrollment. We’re here to help.

In this issue of Pulse, we offer tips on how to get the most out of your workplace benefits, details on how Health Savings Accounts (HSAs) work, and even some tips for surviving and thriving during a reorganization at work. We are trying to help you navigate your workplace and your benefits so you can live your best life.

—Fidelity

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The inaugural issue of Pulse, published in the spring, earned a 2018 Silver Quill Award of Merit from the International Association of Business Communicators.
Fall is here, and you may be spending time designing your kids’ Halloween costumes or hosting the annual family chili cook-off. But there’s typically another big family event on the horizon: annual enrollment.

Now is the time to make important health and financial decisions for your family, such as reviewing your health plan choices for next year.

To support your decision-making process, here are five tips to help you make the most of your employee benefits enrollment this year.

1. Build your health care budget

Taking a look at your entire household’s spending may help you get your arms around your health care budget. Knowing your facts can help you make better decisions during annual enrollment.

To start your budget, ask yourself these questions:

- **How much did you pay in premiums this year?**
  Start by looking at the YTD (year-to-date) section of your most recent pay stub.

- **What are your pharmaceutical costs?**
  If a family member has been prescribed specialty drugs (such as for cancer treatment or other injectable medications), you may need to increase your budget. You will also want to carefully review any current brand prescriptions against the 2019 covered drug lists for your current and alternative plans.

- **How many trips to the doctor, hospital, or emergency room did you or family members make?**
  Find the bills that you had to pay and tally up those costs.

- **What else did you spend out-of-pocket for health care last year?**
  Many health plans have websites where you can log in to see your health care activity and how much you may have spent out-of-pocket.

What about next year? Add up all of your health care dollars from this year, then estimate if you will spend more or less in 2019. Also, make sure you understand how your per-paycheck costs will change from last year, and what they would look like if you enrolled in alternative plans. That should help you decide which plan can work best for you and your family.

2. Compare different plans

Your employer may have several different types of plans to choose from, and the features and prices can vary significantly. Compare the benefits, rules, restrictions, and costs such as copays, deductibles, and out-of-pocket maximums. Different plan types include:

- **A high deductible health plan (HDHP) with an HSA.**
  This plan is also known as an HSA-eligible plan. It carries high out-of-pocket deductible costs to you, but the monthly premiums are typically lower. Many HDHPs are offered along with an individual HSA for health-related expenses. You can choose to set one up and

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**Take time to review your entire benefits package. See what’s changed since last year and consider:**

- Did your employer add or delete specific health insurance plan options this year?
- Can you now opt for a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA)?
- Check to be sure if your spousal or partner coverage has changed.
- Are there new benefits or wellness incentives that you should be taking advantage of?
fund it through your payroll on a pretax basis, and your employer may provide automatic seed money into the account as well.

- **A health maintenance organization (HMO) plan.** This type of health care plan may offer lower out-of-pocket costs, but it comes with some specific restrictions. Most HMOs generally require the use of network providers, and typically require a primary care physician to coordinate your health care services, including providing referrals to see other doctors or specialists.

- **A preferred provider organization (PPO) plan.** In this plan, you’ll usually pay more than an HMO, but you can choose your own doctors and specialists. It is more cost effective to choose doctors in your network and you should expect to pay directly when you go out of network. Many employers also now offer PPOs with more restricted networks but lower out-of-pocket costs, so be sure to review the provider network carefully.

There are lots of choices in health plans, and your choices can change from year to year. When choosing your plan, consider your personal situation—your finances, family health status, and proximity to frequently used medical services. Annual enrollment is the time to reassess which plan best meets your family’s current needs.

3. Consider new options at various stages of your life

When you have a big change in your life, you may also want to make a change to your health insurance coverage. Here are some things to consider at various times: Adding a spouse or partner? Take a fresh look at all choices. You may see a big jump in costs going from single health care coverage to a “plus 1.” Coordinate access to your spouse’s doctors and other health services that work for both of you.

- **Having your first baby?** You’ll need “family coverage.” Make sure your pediatrician accepts the plan you’re considering. Weigh an HDHP with an HSA against HMO or PPO options. If you anticipate having to pay a lot for day care next year, consider contributing to a Dependent Care Flexible Spending Account (FSA), if your employer makes it available.

- **Have young children?** With frequent visits to the pediatrician and other family health care needs, choose the plan that your doctors take and that offers you flexibility at an affordable cost. Make the most of a dependent care FSA, if offered. For added protection for your family, ask your employer about supplemental life and disability insurance options.

- **Kids in college (and under age 26)?** Do the math! Is it less expensive to keep older children on your family plan or to access a student health plan at their college?

- **Newly divorced?** If you are now on your own due to divorce or death of your spouse or partner, you’ll want to look at the best options for you to enroll in single coverage. You may find an HDHP with an HSA an effective way to pay for health care plus save for future health care expenses.

- **About to retire?** Talk to your employer about any health plans for Medicare-age workers or retirees. There may be options for you to consider.

4. Make decisions before the deadline

The annual enrollment period typically lasts several weeks. This gives you time to review your current benefits, compare any new options and benefits, and figure out how much they’ll cost you next year. So don’t wait until the last minute—and don’t miss your deadline.

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The information provided herein is general in nature. It is not intended, nor should it be construed, as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at IRS.gov. You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses, online, or you can call the IRS to request a copy of each at 800.829.3676.

Votes are submitted voluntarily by individuals and reflect their own opinion of the article’s helpfulness. A percentage value for helpfulness will display once a sufficient number of votes have been submitted.
You may know a Health Savings Account is a great way to pay for current qualified medical expenses because of the tax advantages. But did you know it’s also a great way to save your money to use in retirement? That’s because your HSA isn’t “use it or lose it”: The money you contribute is yours, even if you don’t spend this year.

Most people accumulate a balance in their HSA over time. For those who have had an HSA for the past five years, their balance averaged $8,600.³

The money can even be invested in mutual funds. As it grows, any earnings will be tax-free.⁴

Saving your HSA long-term can bear fruit during retirement. You can always use your HSA money, tax-free, to pay for qualified medical expenses like co-pays, deductibles, prescriptions, and vision and dental care. As you get older, your needs may include things like hearing aids and nursing services—and these are also qualified medical expenses.

But there are other ways you can use your HSA in retirement too:

1. **Help bridge the gap to Medicare**

   Generally, HSAs cannot be used to pay health insurance premiums, but there are two important exceptions: paying for health care coverage purchased through an employer-sponsored COBRA plan; and paying premiums while receiving unemployment compensation. This is true at any age but may be helpful if you leave or lose your job before turning 65.

The cost of health care

Fidelity estimates that an average 65-year-old couple retiring in 2019 will need to save about $285,000 in a taxable account to pay for health care and medical expenses through retirement.¹ For single retirees, the estimate is $150,000 for women and $135,000 for men. Where does all this money go?²

- 42% Co-payments, coinsurance, and deductibles for doctor and hospital visits
- 39% Medicare Part B and Part D premiums
- 19% Prescription medications

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⁴ FIDELITY'S PULSE ON HEALTH CARE
2. Cover some Medicare costs

You can use your HSA to pay certain Medicare expenses, including premiums for Part B and Part D prescription-drug coverage, but not supplemental (Medigap) premiums. For retirees who have employer-sponsored health coverage, an HSA can be used to pay your share of those costs as well.

3. Pay for long-term care insurance

Your HSA can be used to cover part of the cost for a tax-qualified long-term care insurance policy. To qualify, the policy must cover only long-term care services, and it must pay out if you need help with at least two activities of daily living or have cognitive impairment. You should ask your insurer if the policy is tax-qualified.

You can use your HSA to cover part of the cost at any age, but the amount increases as you get older.

<table>
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<th>2019 LIMIT (PER PERSON)</th>
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<tr>
<td>Under age 40</td>
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<tr>
<td>51–60</td>
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<td>61–70</td>
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<td>71 or older</td>
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4. Modify your home

You may use your HSA to pay for certain improvements or additions to your home with a Letter of Medical Necessity proving that the main purpose is medical care for you, your spouse, or dependents. This may include adding handrails or grab bars in bathrooms or elsewhere; moving or modifying electrical outlets and fixtures; modifying the hardware on doors; or widening doorways, among other changes. Some improvements made for medical reasons also may increase the value of your home—for instance, adding a bathroom on the first floor. In these cases, the difference between the cost and the increased value is considered a qualified medical expense for tax purposes.

5. Pay everyday expenses

Once you reach age 65, there is no penalty if you use HSA money for anything other than health care. But you will have to pay income tax on your withdrawals, similar to pretax withdrawals from your 401(k).

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1. Estimate based on a hypothetical couple retiring in 2019, 65 years old, with life expectencies that align with Society of Actuaries’ RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Costs Estimate assumes individuals do not have employer provided retiree health care coverage, but do qualify for the federal government’s insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services, and long-term care.


3. Fidelity recordkept data of five-year continuous HSA account holders and their year-end balances for each of the past five years, 2014–2018.

4. With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. The triple tax advantages are only applicable if the money is used to pay for qualified medical expenses.

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Investing involves risk, including the risk of loss.

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How much cash should you keep in your Health Savings Account?

You contribute to your HSA throughout the year to save for qualified medical expenses, but you also can invest the money for future medical needs. So how do you decide how much cash to keep in your account for today’s needs?

You might think of your Health Savings Account (HSA) as a tax-advantaged spending account, where you temporarily put the money you will need to pay qualified medical expenses this year.

But if that’s all you think your HSA is, you may be missing out on some of the account’s most important features.

That’s because your HSA has three important tax advantages: 1

• You don’t pay federal income tax on your contribution.

• If you invest your balance, you aren’t taxed on the earnings as it grows.

• Withdrawals used to pay for qualified medical expenses are tax-free in most cases, whether you make the withdrawals now or far in the future.

Some people never spend the money they put in their HSA during their working years, instead planning to take full advantage of the account by saving and investing it to pay for medical expenses in retirement.

But even those who use it to pay current qualified medical expenses usually wind up accumulating a balance over the years. The average balance for those who have had an HSA with Fidelity for the past five years was $8,600 in 2018.2 Some or all of that balance can be invested and grow tax-free3 to help cover the cost of future health care expenses. Yet only 9% of all HSA owners invest their balance;4 the rest leave their money in cash.

The question for many people is: If I want to make the most of my HSA by investing some of the balance, how much should I hold back in cash to cover near-term expenses?
The answer depends on how much money you think you’ll need to cover your qualified medical expenses—and whether you can pay those expenses without using the money in your HSA. But that’s not so easy, is it? You can’t look into a crystal ball and see how healthy—or not—you’ll be in the coming year.

If you want to have ready access to at least some of your balance, you can set a “cash target”—an amount of money you want to have in your HSA in cash at any given time during the year.

The cash target also can act as an investment trigger in your account, allowing you to choose an investment option and automatically invest money above and beyond your cash target account.

How does a cash target work?

A cash target isn’t a pot of money you collect and then never touch. Instead, you may be constantly using the cash in your HSA to pay for current qualified medical expenses and replenishing it with new contributions. Think of it like the produce aisle in the grocery store. You want the basket of apples to be full when you’re making an apple pie or a big batch of applesauce, but most of the time, you just want to pick up a few apples to snack on. But the basket has to be constantly replenished so you can get what you need, when you need it.

That’s why, although we talk about cash target as a fixed number, it is actually closely associated with monthly spending and contributions. If you use your HSA to pay your current qualified medical expenses, you also need to replenish the account so you can maintain your cash target.

Everyone’s target is different. It depends on your expectations for spending on health care, as well as your ability to absorb the financial shock of a large, unexpected medical expense, potentially using other personal savings.

You can use an online tool to help you set this target easily. These steps can help you understand your needs and how to prepare for the unexpected.

1. Gather some information

The first thing you should do is estimate how much you spent on qualified medical expenses last year. This includes:

- Doctor’s visits: coinsurance, co-pays, and any other out-of-pocket costs
- Prescription drugs
- Mental health services, such as therapy appointments
- Eye care, including exams, glasses, and contact lenses
- Dentist and orthodontist expenses

If you don’t already know the answer, you should be able to log in to your health insurance provider’s website to find out what expenses have applied to your deductible so far this year. Also consider looking at credit card statements or information from your drug store’s rewards system.
I spent $3,600 last year, mostly because I broke my leg skiing. That was a rough trip!
I assume I’ll spend less this year.

We spent $3,600 last year, but we’re expecting a baby, so we will definitely have more bills to pay next year.
We should aim high!

We spent $3,600 last year too. Normal kids’ illnesses and injuries add up.

That’s pretty typical for us. I’d expect next year to be about the same.

2. Consider what you expect in the coming year

Was last year pretty typical for you, or did you have large expenses you don’t expect to repeat this year? Or, are you expecting larger expenses this year—maybe you’re thinking of starting a family, or it’s time for the kids to get braces?

Depending on whether you expect lower, higher, or similar expenses in the coming year, you can use a percentage of last year’s expenses to estimate the coming year. We use these percentages as directional guidance, but you may nudge them higher or lower.

If you had an event last year that you don’t expect to repeat—the birth of a child, or an injury—you can simply subtract that amount from your total. Conversely, if you know the cost of something you are planning for the upcoming year, such as an elective surgery, you can add that cost to last year’s total.

3. See where you stand

Now consider what you’re setting aside in your HSA, including any employer contribution you may be getting. Then see if you tend to spend more than you contribute.

We look at the numbers from a monthly standpoint because many people set their contributions during

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<td>$3,600</td>
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<td>($225/month)</td>
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annual enrollment based on how much they are setting aside per-paycheck on everything—including insurance premiums, 401(k) contributions, and HSA contributions. (If you’re wondering how to balance contributions to your HSA with those to your retirement savings, read “Where to save your money for the long term”.)

To figure out your gap—if you have one—simply subtract your expected spending from your monthly contribution. If you are falling short of your expected monthly spending, you have a few options:

• Increase your monthly contribution by the amount of your gap. (If you discover you’re not contributing enough, you can change your contribution amount during the plan year. You don’t have to wait for annual enrollment.)

• Write a check to your HSA account to front-load it in order to cover the gap. If you go this route, you will have to report the contribution at tax time so you can deduct the contribution from your income for the year. Also be sure this amount, coupled with any employer contributions made over the remainder of the year, does not put you beyond the maximum allowable annual contribution.

### No Gap No Gap Gap ($175/month)

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<td>SPENDING</td>
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<td>DIFFERENCE</td>
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**4. Consider how you will pay your bills**

As you look at what you expect to spend this year, think about how you plan to pay your medical bills.

• Are you comfortable paying some of these expenses from another source or account, rather than using your HSA?

• If you ran out of money in your HSA, would you have other resources to pay your bills? Or would you have trouble paying those bills?

This is an important consideration, because of course you can’t know for certain how much you’ll spend on health care in the coming year.

How do you feel about paying for your health care expenses today? Are you comfortable writing a check for a $200 office visit or a $75 prescription, but would want to ensure you have immediate access to cash in your HSA if you incur a bill that is, say, $500? The cash target you set will depend on a combination of your expected expenses and your comfort in handling both these bills—and those you don’t expect.

Decide which category you fall into and then consider the calculation below to set your total cash target. This is not a monthly figure but a rolling total—
We use our HSA all the time.

So we’ll keep more in cash, but not a lot more.

If we use it up, we could come up with the money somehow.

We’ll keep a lot more in cash, just to be safe.

We use our HSA for everything.

I don’t know how we’d pay our bills if that ran out.

I use my HSA, but I pay out-of-pocket when I can so I can save my HSA for later.

So I don’t need to keep a lot in cash, and I can invest the rest.

CASH TARGET
$250

I’m okay paying for most expenses out of pocket

$225
÷ 2
$113

CASH TARGET
$250

Round up to $250 if you come up with a smaller number.

I use the HSA but I’m sure I can handle surprise expenses

$300
× 4
$1,200

CASH TARGET
$1,200

1. With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. The three tax advantages are only applicable if the money is used to pay for qualified medical expenses.

2. Fidelity recordkept data of 65,000 Fidelity HSA five-year continuous account holders through December 31, 2018.

3. Fidelity recordkept data of HSA accounts through December 31, 2018.

4. Generally, people with higher financial capacity can self-smooth out the volatility of health care expenses, whereas people with lower financial capacity need higher cash targets. For example, a person with higher financial capacity may not care whether they have one annual expense of $4,800 or 12 monthly expenses of $400 each, whereas a person with lower financial capacity could not sustain a $4,800 expense. Even though these 2 people will have same annual expense their financial capacity will dictate their multiple of the monthly spending need. Monthly expense multipliers of ½, 4X, & 10X are based on Fidelity’s qualitative assessment of financial capacity. They are intended as directional indicators for how much to keep in cash not rules to be applied. Your own needs may vary and ultimately you should select a cash target that you are comfortable with.

5. Settlement times may vary depending on the type of security you are selling in your account.

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Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.
Take a minute to stretch your legs, so you can keep up with the crowd — on Halloween and every day.

1 in 3 people are sedentary for at least 9 hours a day.

Fidelity Investments Total Well-Being online survey of 9,315 active Fidelity 401(k) and 403(b) participants, September 2017.
HSA & FSA: Understanding the differences

The acronyms are confusingly similar. But there are important differences between Health Savings Accounts (HSAs) and health care Flexible Spending Accounts (FSAs). The root of the difference is right there in the names:

**Health Savings Account**
allows you to **save** what you don’t use this year for your future needs.

**Flexible Spending Account**
allows you to set aside money you plan to **spend** this year.

To be sure, the accounts have some key similarities—notably, contributions to both accounts are exempt from federal income tax, and both accounts may be used to pay for qualified medical expenses.¹

But most people don’t understand what makes HSAs and health care FSAs different. Here are five key differences—and what they mean to you:

### 1. Eligibility

**HSA:** To be eligible for an HSA, you have to be enrolled in a health plan that has a deductible of at least $1,350 for an individual or $2,700 for a family, as well as a cap on out-of-pocket spending of $6,750 for an individual or $13,500 for a family. This is what’s considered an “HSA-eligible health plan” for 2019.

**FSA:** Generally, you can enroll in a health FSA with your employer if they offer one. If you’re self-employed, you aren’t eligible.

### 2. Ownership

**HSA:** You own your HSA, much as you own a brokerage account or your 401(k), and the money is always yours; the balance carries over from year to year until you need it. This is perhaps the biggest misunderstanding about HSAs—more than 60% of people believe they lose unspent money in their HSA.¹

**FSA:** The health care FSA is “use it or lose it.” Your FSA belongs to your employer, and you will generally forfeit any money left in an FSA after the end of the year. In some cases, your employer may allow you to carry over a portion of the money into the next year.
3. Portability

**HSA:** You own your HSA, regardless of your job. In addition, if you lose your job, you can spend the money to cover your COBRA costs (COBRA temporarily extends your employer-sponsored health care coverage).

**FSA:** The account remains with your former employer when you change jobs. You may be able to submit claims for expenses incurred prior to leaving the company and may be able to elect to continue to be enrolled in a health FSA under COBRA.

4. Growth

**HSA:** When money is contributed to an HSA, it is generally put into an interest-earning account. Depending on your HSA provider, you may be able to invest all or part of your balance for the future. And you can choose an investment you’re comfortable with, depending on your time horizon and risk tolerance.

**FSA:** Your health care FSA balance can’t be invested.

5. Retirement

**HSA:** If you save the money in your HSA over the years, you can use it to cover qualified medical expenses in the future, including in retirement. Withdrawals are federal tax–free (and usually state tax–free) if you use the money to pay for qualified medical expenses. You also can spend your HSA money on general expenses after age 65—you just have to pay normal income taxes on the money you withdraw.

**FSA:** Since you lose any leftover money when you leave your job, there’s no opportunity to save your health care FSA for retirement.

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**But wait, there’s more**

There also is such a thing as a limited-purpose FSA, which you can only have if you also have an HSA-eligible health plan and an HSA.

The limited-purpose FSA allows you to set aside money specifically for qualified vision and dental expenses. Having both accounts lets you get the most tax and savings benefits. Many employers who offer an HSA-eligible health plan with an HSA also offer a limited purpose FSA.

If you use a limited-purpose FSA to pay for dental and vision expenses, you can then use your HSA for other qualified medical expenses—or save it for later. But, as with a traditional FSA, you lose the money you don’t spend in a limited-purpose FSA.

As a general rule, only consider contributing to a limited-purpose FSA once you are contributing the maximum to your HSA.

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1. CARAVAN® Survey of 4,000 adults, completed in October 2018 by ORC International, which is not affiliated with Fidelity Investments. Included in the analysis were 1,128 respondents enrolled in an HSA-eligible health care plan. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

2. With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. The triple tax advantages are only applicable if the money is used to pay for qualified medical expenses.

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5 ways to be a better health care consumer

Taking an active role in your own health care means more than just shopping around for the best price.

Being a smart health care consumer doesn’t just mean finding ways to save money—although that’s part of it.

It also means trying to live a healthy lifestyle and getting the most out of the money you do spend on health care, including your insurance and benefits.

Here are five things to consider if you want to be a better health care consumer:

1. Take good care of yourself

The best way to spend less money on health care may simply be to stay healthy—and that starts with living a healthy lifestyle.

- Eat a nutritious diet.
- Move as much as you can. Even if vigorous exercise isn’t your thing, just walking can improve your health, both physical and mental.
- Aim to get seven–eight hours of sleep at night.
- Get regular physicals, and age-appropriate health screenings.

Health issues crop up for everyone, no matter how diligent you are about your lifestyle. If you do have a chronic condition, keeping it controlled can help you minimize more severe problems down the line.

Care for your mental health just as you would your physical health. This means learning to manage stress and quiet your mind—and get help when you need it.

2. Know your numbers

If you’re getting a regular physical, you’ll know your blood pressure and cholesterol—or at least your doctor will. But those aren’t the only numbers that are important.

You should also know the details of your health insurance coverage, including:

- **Your deductible.** This is how much you have to pay before insurance starts kicking in a portion of the cost. You can keep an eye on how much you’re chipping away at the deductible through your insurance carrier.
- **Your out-of-pocket maximum.** This is the highest amount you could be responsible for in a given calendar year and a good target to try to save for in case you have a big health care claim.
- **Your co-pays for office visits**—primary care, specialist, and urgent care/ER.
- **Your co-pays for prescriptions**—name-brand, generic, and specialty.
If your plan covers mental health or chiropractic treatments, how many visits are you allowed per year?

Knowing this information can help you get the most out of your coverage. It can also help you spot billing mistakes when they happen.

3. Know the tools you can use

Employers are increasingly offering tools that help you save money and/or aggravation. Among them:

- **Telemedicine.** A video visit with a doctor may cost you $40—far less than an office visit or a trip to urgent care.

- **Cost estimators.** Most employers and health insurance carriers offer some kind of online tool that allows you to comparison shop for doctors and treatments. These are especially helpful if they sort the results by value—you aren’t necessarily looking for the “cheapest” result, but the best quality of care for your money.

- **Second opinion programs** to help you connect with experts you can consult on diagnoses and treatment plans.

- **Health advocates** to help you with medical claims and billing.

Many people don’t know these tools are available, so check out your employer health benefits to see what you’re missing. If you aren’t covered under an employer-sponsored plan, you may be able to see what support your insurance carrier provides to members by calling their customer service team.

4. Get the best price on prescription drugs

It’s much easier to shop around for a better price on prescription medications than it is to look for a better deal on medical services, but there are still some complexities.

- Ask about your health insurance plan’s formulary, or list of covered drugs. If you take a prescription regularly, make sure your plan covers the medication, and ask how much of the cost it covers.

- Find out if your health plan has preferred pharmacies where you’ll be charged a smaller copayment. Last year, 36% of plans had a preferred network, according to the Pharmacy Benefit Management Institute.

- You may be able to get a better price by using a mail-order service or ordering your prescriptions three months at a time—check your pharmacy plan copays.

- Before filling a prescription, ask your doctor and your pharmacist if there are ways to keep your costs down. That may mean a generic substitution, or using a liquid instead of a pill, or other options that may be less costly for you.

- Find out if your health plan offers an app to help you estimate the cost of filling a prescription. If it does, use your smartphone to access information quickly about your covered meds and their costs.

5. Understand your bills

There’s a lot going on behind the scenes with medical billing. Your doctor’s office codes the procedure and then bills the insurance company, which pays a portion. Then your doctor’s office bills you for the remainder. Somewhere in there, you also get an Explanation of Benefits from your insurer (which looks a lot like a bill—but isn’t).

That’s oversimplified, but the point is there is a lot of room for error—and mistakes do happen. There are three key things to look for when you get a bill:

- You received all the services you were billed for.

- Nothing is double-billed.

- There’s nothing on the bill you don’t understand.

If anything looks amiss, contact your health care provider’s billing office and then the insurer. If your employer offers a patient advocacy service, they may be able to do the legwork and call the doctors and insurance company on your behalf.

And be careful: Never send a payment for something that says, “This is not a bill.” It may look like a bill, but it is more likely an “explanation of benefits.”

Pro tip: You can call your provider before an appointment or procedure and ask for the billing codes and a cost estimate. Then, call your insurance company to be sure that procedure is covered. Then you can compare the bill you eventually get with the initial estimate—and if it’s far off, there may be an error.
Change is a constant in life—and in work. At the office, that often means reorganization. In a recent Fidelity survey, about one-third of people said they had gone through a “reorg” at work within the past year.* That means you can expect to be reshuffled about every three years. Does that sound about right to you?

For most people, a reorg means stress—57% of those who experienced one in the past year said they had a lot of job stress, 15 points higher than those who did not go through that kind of upheaval.* This is true regardless of age, gender, education, income level, or marital status.

The symptoms of stress are well-known, and can range from headaches and anxiety to fatigue and lack of motivation or focus.

There are many ways to try to combat stress—some big, some small. But try as you might, navigating change will never be all sunshine and roses.

"Expect some negative feelings and be okay with them," advises Tamara Sims, director of behavioral science for Fidelity Investments. “Managing your expectations about how you feel and giving yourself permission to feel stressed or not happy all the time is actually good for well-being in the long run.”

Remember, reorganizations by design are going to influence how you do your job and your relationships at work. Understanding how to manage the stress of change at work can help you survive—and thrive—in the new world.

How to survive—and thrive—during change at work

If you can manage the stress, you may even be able to thrive during times of change.

* Unless otherwise noted, all data is from the Fidelity Investments Total Well-Being Research online survey of 9,315 active Fidelity 401(k) and 403(b) participants from across the United States. The survey was conducted by Greenwald and Associates, an independent third-party research firm, on behalf of Fidelity in September 2017.
Take control where you can

It’s easy to become so consumed with work that you neglect to take care of yourself, whether that means getting up from your desk to stretch your legs, going for a walk, or eating healthy snacks. People who have experienced a reorg are significantly more likely to be sedentary. They are also slightly less likely to eat a healthy diet and get a flu shot.

It may be difficult to focus on yourself when you want to focus on your new situation at work. So try to take care of yourself in small ways:

• Be mindful of your choices. It’s almost too easy to stop for take-out dinner on the way home from work, or to skip getting that flu shot because you just can’t find the time. Taking a minute to pause and just be aware of the choices you make at stressful times can help you take better care of yourself.

• Exercise can be a great stress-reliever, but you may not feel you have time for that when your job is especially demanding. So try carving out time to do something active and productive at the same time.

• “Get up from your desk and invite a colleague to a walk-and-talk meeting,” suggests Kate Van Hulzen, senior vice president, Fidelity Workplace consulting. “It’s a great way to get to know colleagues or brain storm new ideas while doing something good for your health. If you’re a manager, set a good example for others. If you’re always chained to your desk, your team will feel pressure to do the same—and that’s not healthy for anyone.”

• Learn something new. “Invest in yourself by learning new skills that will help you improve your performance in your current job or position you for the next one,” says Van Hulzen. “Making yourself more marketable is a great confidence booster and stress reducer.”

• Whenever work stresses you out, it can help you feel more in control if you think about exactly what it is that is so stressful. It could be too many demands on you with too little time to get the job done, or a new schedule that creates a challenge for you to take care of home responsibilities. Or perhaps it’s your colleagues at work who you don’t know as well. In any case, figure out what is most difficult and make a list. Tackle one thing at a time. Each small step gives you a sense of accomplishment.

• Play music or hang out with others during a break. Sometimes it’s alone time that you need, sometimes it’s being social. Listen to what you need.
Reach out to others

Maintaining relationships at work can be the difference between stress you can manage and stress that leaves you feeling overwhelmed. Strong social ties at the office can take the edge off stressful times—and give you something to look forward to on Monday mornings.

- Consider meeting with others in your work group and discussing ways to design your jobs to reduce what you find most stressful.

- Include your boss in the conversation. Sometimes finding a way to reduce stress involves communicating with others about what you find challenging and then brainstorming ways your new team can work together better.

- Talk to someone who’s been around the block. As people get older, they focus more keenly on what is important in life, like their personal relationships. Older adults also feel more mixed emotions; that is, experiencing the good with the bad, which leads to better health in the long run.

- If you find work and life becoming unbalanced, bring your family into the conversation. Talk to them about what’s going on and enlist their help in bringing work and life back into balance.

The Impact of a Reorg Is Nearly Twice as Large for People Who Are Low on Resilience (% who are highly stressed)

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<td>Among those who are less resilient</td>
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The impact of a reorg is nearly twice as large for people who are low on resilience.
Be cool, calm, collected

People who are emotionally resilient are less likely to be highly stressed at work—and this is especially true after a reorganization. Resilient people tend to be optimistic, calm, and have a sense of purpose in their life. If these qualities don’t come naturally to you, you may be able to nurture them or seek out people and places where it’s easier to:

• Remind yourself of what matters most to you. Practice gratitude for all the good stuff.

• Breathe. Yes, it can be that simple. Inhale and exhale slowly, focusing on your breath. If you have more time, consider trying mindfulness meditation.

• Lower your standards! Yes, you’ll make mistakes. You’ll miss deadlines. Everyone does. If you expect perfection, you will never be satisfied—and always be stressed. So give yourself a break.

• Avoid people and places that bring in negativity. We all know those people who brood and complain. That can be contagious, so limit how much time you spend swimming in other people’s stress.

• Nurture your interests outside of work—whether that means spending time with family or friends, or pursuing a passion. Having goals and interests away from the office can give you fulfillment when work is stressful.

When to seek help

Remember, a reorganization is real—it’s not all in your head. Often, you’re managing new relationships, new job demands, changes in your work schedule, and job insecurity. But if stress is impacting your health or relationships, or you’ve tried to tamp it down without success, consider seeing your doctor. Or contact your Employee Assistance Program for help.
4 small ways to stay healthy at your desk job

Did you know that 86% of Americans today sit down all day for their job?1 If you aren’t in the lucky 14% of people who don’t, you may be sitting down uninterrupted for eight or more hours a day at work—not to mention the time you spend sitting when you commute, eat dinner, and watch TV.

All that sitting adds up quickly, and so do the negative health effects—like increased risk for heart disease and certain types of cancers.2

If this sounds scary, rest assured: Recent research shows that replacing sitting with even just a few minutes of movement a day reduces your risk.3

There are easy ways to incorporate extra movement into your day. Keep reading to find out how.

Walk more.

This is the most important, and simplest, guideline. There are lots of ways to get more steps into your day! Park farther away, embrace the stairs, go talk to your coworkers instead of sending an email. Even taking a lap or two around your floor helps.

Stand up once an hour.

If you’re worried about all the negative health effects of sitting, one study found that taking a break from sitting for a few minutes once an hour can put you back on the right track.4 So make it a point to stand up and stretch, take a quick walk to the bathroom or the water cooler, and get those steps in. Bonus: you’ll get a break from staring at your computer screen, too—which is important for eye health.

Take that lunch break.

Is the lunch break a thing of the past? Today, most people eat at their desks and never get a physical or mental break from being in the office.

In fact, the results of a 2012 workforce survey showed that only one in five American workers takes a lunch break away from her desk on a regular basis.5

Taking a break can have mental benefits—you might find yourself better able to focus after 20 or 30 minutes away from your work environment—as well as physical ones, if you take it as another opportunity to work more steps into your day. Bring a healthy lunch from home for extra points.

Enroll in your workplace wellness program.

Many employers today are offering rewards for employees who meet certain fitness goals—for example, having a biometric screening, exercising a certain number of times a week, or quitting smoking. Check with your employer to see if your company offers one of these programs. If so, a wellness program might give you an incentive to get healthy—or it could help you benefit from the healthy choices you are already making.

Finding ways to stay active during your work day doesn’t have to be difficult. Focus on creating healthy habits that’ll get you moving, and don’t stress too much about always meeting a certain step goal or doing a strenuous workout every day—consistency is what counts. Your body—and your health—will thank you for it.

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The triple tax advantage of an HSA

Why fund an HSA if you’re only going to spend the money this year anyway? Isn’t that a hassle? Without an HSA, you’re paying taxes on that money when you don’t have to. HSAs let you save money three ways:*

- **When you contribute**
  You don’t pay federal income tax on your contribution

- **As the money grows**
  If you invest your balance, you aren’t taxed on the earnings

- **When you pay your bills**
  Withdrawals used to pay for qualified medical expenses are tax-free for federal tax purposes

*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. The triple tax advantages are only applicable if the money is used to pay for Qualified Medical Expenses as described in IRS Publication 969. Please see a tax advisor with respect to your specific situation.

This information is intended to be educational and is not tailored to the investment needs of any specific investor. Fidelity does not provide legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

*Keep in mind investing involves risk, including the risk of loss.*
Give yourself a gift this year

2 out of 3 people aren’t saving enough for retirement

What’s “enough”? Fidelity recommends saving at least 15% of your income annually, which includes employer contributions. If you’re not there yet, consider increasing your savings rate today.