

What are the investment options?

When you open an HSA with UMB Bank, all contributions to your HSA will initially be made to an HSA Deposit Account which will provide you with debit card access to make health care related payments. Funds in your HSA Deposit Account are FDIC-insured to the limit provided by federal law.

If you have more money in your HSA Deposit Account than you need to pay for your medical expenses, UMB Bank provides you with two options for investing the funds that may allow you to earn higher yields on funds you have set aside. You can select a Money Market Sweep Account, which automatically sweeps funds in excess of a "peg balance" that UMB sets into a money market fund. Or, you can request UMB open an account for you at UMB Financial Services, Inc. The brokerage account option allows you to direct the investment of your excess funds into a variety of mutual funds. Separate fees apply to each of these investment options.

UMB Financial Services, Inc., Member NASD, SIPC, is a subsidiary of UMB Bank, n.a., but a separate company from the Bank.

The Money Market Sweep option and the UMB Financial Services Account involve investments that are NOT FDIC INSURED, HAVE NO BANK GUARANTEE, AND MAY LOSE VALUE.

Frequently Asked Questions

How much can I contribute in 2008?

In 2008 deposits to your HSA account may be made up to \$2,900* if covered as an individual or \$5,800* if you have family coverage under a qualified high deductible health plan (HDHP) regardless of the size of your qualified HDHP deductible.

Special Catch Up provision: If you are between the ages of 55-64, you may add an additional \$900 in 2008.

Who qualifies for an HSA?

You can qualify for an HSA if you meet all of the following requirements. You are:

- Covered by an HDHP as of the first day of the month
- Not covered by any other health plan that is not an HDHP
- Not a dependent on any other person's tax return
- Not enrolled in Medicare

* Amounts indexed for inflation.

How do I establish my HSA?

If you are eligible, you can establish your HSA with the provider CMA has selected, UMB Bank. You can enroll online at www.MarshAffinity.com or call UMB at **866-520-4HSA**.

Only health care related expenses incurred after your HSA is open are eligible to be paid from the HSA. There is no minimum contribution required, however there is an annual maximum.

How much does an HSA cost?

As a benefit to members of the California Medical Association, initial HSA account set-up fees are currently being waived. A monthly service fee of \$3.00 for members and \$4.00 for non-members applies in order to maintain an account. In addition, there are other fees that may apply depending upon the services you select from UMB (e.g. account closing fees, etc.). A fee schedule will be provided with your enrollment kit and will also be available online.

What are qualified medical expenses?*

Qualifying medical related expenses that may be paid from your HSA include: Deductibles; physician and hospital co-payments; coinsurance applied to provider charges; prescription drugs; dental and vision; when over 65, Medicare premiums; Long Term Care premiums (*to IRS Limits*); and COBRA premiums.

* The IRS publishes a complete list and description of these expenses in Publication 502, Medical and Dental Expenses, which is available at www.irs.gov.

Please Note: CMA, UMB and Marsh do not render tax or legal advice. You should consult your advisors regarding applicable tax or legal considerations.

About UMB Bank

UMB is a \$7 billion financial services company headquartered in Kansas City, MO with national accounts as well as a local presence in seven midwestern states. UMB has been a leader in the financial health care field since 1996 and today serves as custodian for some of the largest insurance companies and health care providers in the country.

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**Sponsored
Health Savings
Accounts and
High Deductible
Health Plans**

**Find out how you can
save money on your
health care costs**

For the benefit of members of
the California Medical Association and the
following County Medical Associations and Societies:

Butte-Glenn	Monterey	San Mateo
Fresno-Madera	Napa	Santa Barbara
Humboldt-Del Norte	NORCAP	Santa Clara
Imperial	North Valley	Santa Cruz
Inyo-Mono	Orange	Siskiyou
Kern	Placer-Nevada	SOCAP
Kings	Riverside	Solano
Lassen-Plumas- Modoc-Sierra	Sierra Sacramento Valley	Sonoma
Los Angeles	San Benito	Stanislaus
Marin	San Bernardino	Tehama
Mendocino-Lake	San Francisco	Tulare
Merced-Mariposa	San Joaquin	Tuolumne
	San Luis Obispo	Ventura
		Yuba-Sutter-Colusa

UMB

MARSH



Take control of your health care costs.

The California Medical Association and your County Medical Association are pleased to provide you with an opportunity to open a federally tax advantaged Health Savings Account (HSA). We've teamed with one of the country's leading providers of HSAs to offer each of our members and their employees a way to help take control of their health care costs.

What is a Health Savings Account?

An HSA is a tax exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of a beneficiary who becomes covered under a high deductible health plan (HDHP). With an HSA, you can pay for current health care expenses and save money for future eligible medical expenses.

You own and control the financial decisions in your HSA. Money you contribute to your HSA is tax deductible, whether or not you itemize deductions (see Frequently Asked Questions for discussion of limits on contributions). Your funds can be conveniently accessed by a debit card to pay medical expenses. An HSA is similar to an IRA; however, HSAs are specifically dedicated to medical expenses.

First, establish a High Deductible Health Plan (HDHP)*.

In order to open an HSA, you must be covered by a qualified HDHP. An HDHP generally costs less than traditional health care plans due to the higher deductible, so the money saved on monthly premiums can be added to your HSA. HDHPs are available to individuals under age 65 and employer groups of all sizes.

An HDHP consists of an annual deductible of at least \$1,100 for an individual and \$2,200 for a family. In addition, the out-of-pocket maximum limit, including deductibles, is \$5,600 for an individual and \$11,200 for a family. In the case of a family plan, the HDHP may not start paying for any individual until the \$2,200 family deductible is satisfied.

*Please be aware that not all plans with high deductibles qualify you to open an HSA. The policy must meet the specific HSA design specified by the U.S. Congress.

For assistance in obtaining a high deductible health plan, please call a Marsh Client Service Representative at 800-842-3761. After you've been approved for coverage you'll be able to open your HSA Account at www.MarshAffinity.com.

For assistance with your HSA, once your account has been established, please call UMB Bank at 866-520-4HSA .

Is a Health Savings Account right for me?

If the following benefits are important to you, you may consider an HSA to be a valuable financial tool:

- Lower health insurance premiums than with regular health plans
- Contributions may be made by an individual, an employer or both
- Wise health care decisions directly benefit you by reducing health care costs
- You own your HSA and choose how to invest the funds
- You are eligible to deduct contributions you make on your federal income tax return (even if you do not itemize deductions).
- Interest and other earnings on a Health Savings Account maintained in accordance with federal law are not taxable on your federal return.
- Withdrawals for qualified medical, dental and vision expenses are federally tax-free
- Catastrophic protection is provided through the high deductible health plan
- HSAs continue to grow if the money is saved and not used for health-related expenses since funds may be rolled over to subsequent years
- You are generally healthy and do not utilize a significant amount of health care services annually
- You want freedom of choice to see any physician you choose

If you use the funds for other than qualified health care related expenses, you must pay income tax plus a 10% penalty. Upon attaining age 65, you may use the funds for non-medically related expenses. You will only have to pay income tax on the withdrawals at that point.

Please Note: CMA, UMB and Marsh do not render tax or legal advice. You should consult your advisors regarding applicable tax or legal considerations.