

Gain control with a health savings account

Your Anchor Choice plan gives you access to a health savings account (HSA) that gives you more control over the money you spend on doctors, drugs, and tests. The State's annual contribution to your HSA will be \$1,700 if you have individual coverage or \$3,400 if you have family coverage.¹ This contribution is enough to cover the entire annual deductible for the Anchor Choice Plan!

An HSA is a great way to save money. You are able to receive an annual contribution from the State and you can make contributions as well. Once your balance reaches \$1,000, you can invest the money in your account for even greater earnings potential.

Your HSA is a little like a retirement account for medical expenses. When you put money into your HSA, you get a **triple tax advantage**:

- The money you put in may reduce your taxable income
- Interest you earn in an HSA is tax-free
- The money isn't taxed when you spend it on qualified medical expenses

The money in your HSA rolls over from year to year so you can use it any time, even in retirement.

The money is yours. You never lose it.

Tax savings example* for a married couple in Rhode Island filing a joint tax return.



*This example is for illustrative purposes only and does not represent actual tax impact.

2026 annual contribution maximums

Individual plans: \$4,400

Family plans: \$8,750

If account holder is 55 years or older, they can contribute an extra \$1,000.

Register with BlueCare Connect

Follow these steps to register with BlueCare Connect.

1. Download the BlueCare Connect app or go to BlueCareConnectRI.com.
2. Follow the registration prompts.
3. Once registered, you can access your HSA and other health benefits information—and much more.



Use BlueCare Connect to access your HSA

- Log in to your BlueCare Connect account.
- Look for your HSA under “Benefits” on your dashboard.

Learn about eligible/ineligible expenses*

Funds you withdraw from your HSA are tax-free when used to pay for qualified medical expenses. The expenses must be primarily to alleviate or prevent a physical or mental disability or illness. A complete list and discussion of these expenses is available on the IRS website. The IRS may modify this list at any time.

Eligible

Acupuncture	Eyeglasses	Non-prescription medicines, like cold and flu pills
Ambulance	Eye surgery	Nursing home
Birth control pills	Hearing aids	Optometrist
Braces	Hospital services	Prescription drugs
Cancer treatment	Insulin treatment	Psychiatric care
Chemical dependency	Laboratory fees	Psychologist
Childbirth/delivery	Long-term care	Smoking cessation programs
Chiropractor	Machine tests	Surgeon fees
Contact lenses	Medicare Part D premiums	Transplants
Deductibles	Menstrual products	Transportation for healthcare
Dental treatment	Mental health	Vision expenses
Diagnostic tests	Neurologist	X-ray fees
Durable medical equipment		

Ineligible

Cosmetic surgery	Health club dues	Teeth whiteners
Deodorant	Medicated shampoo and soap	Tissues
Electrolysis hair removal	Multivitamins	Toiletries
Funeral expenses	Soap	



Have questions? We're here to help!

Call the **State of Rhode Island Employee CARE Center (401) 429-2104** or **1-866-987-3705**
Monday – Friday, 8:00 a.m. to 8:00 p.m. Saturday, 8:00 a.m. to noon

¹Contributions are made biannually with half deposited in January and the other half deposited in July. The State's HSA contributions are not pro-rated for employees that enroll after January 1 and July 1.

* This list is for illustrative purposes and is not a complete list of qualified medical expenses. All items on the list may be subject to further limitations. Consult your tax advisor for specific tax advice. Please see IRS Publication 502 for a more detailed listing of qualified medical expenses.

This communication has been prepared for informational purposes only, and is not intended to provide, and should not be relied on, for tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction. HSAs are not insurance. HSAs are individual accounts, and are subject to eligibility and restrictions, including but not limited to, restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code.



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of Rhode Island