

# A GROUNDBREAKING HSA WITH ADVANCE<sup>1</sup> LINE OF CREDIT



A SINGLE SOLUTION FOR ALL YOUR CONSUMER  
BENEFIT SPENDING ACCOUNTS

High deductible health plans have advantages. But for many, those advantages are overshadowed by the risk. Until now, HSAs have not helped.

That changes with Lane Health's HSA and The Card with a Heart, featuring the Advance<sup>1</sup> line of credit.

## ADVANTAGES FOR ALL

**EMPLOYERS** - Save money by enabling more healthcare expenses to be paid with pre-tax dollars. It also helps employees in high deductible health plans who may be struggling with healthcare expenses by providing easily accessed funds. Employers can choose to offer the Lane Health HSA product standalone or bundled on a single card solution with other tax advantaged accounts including Flexible Spending, Dependent Care, Health Reimbursement, and Commuter Benefits Accounts.

**EMPLOYEES** - Lane Health helps employees pay for medical care when they need it, simply by swiping the Card with a Heart. If they are enrolled in an HSA eligible health plan, Lane Health will enroll them in an HSA. After activation, they have on-demand, access to their Advance<sup>1</sup> line of credit with no credit check.

**CONSULTANTS & BROKERS** - Lane Health gives consultants and brokers a new solution to help develop and execute effective benefits strategies and achieve client goals. Lane Health simplifies implementation by working with consultants and brokers to easily integrate and exchange data with all parties. With Lane Health's highly flexible implementation approach, they work within existing processes and systems.

<sup>1</sup> Advances issued by WebBank

The Card with the Heart<sup>®</sup> is issued by The Bancorp Bank, Member FDIC, pursuant to license by Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated. Card can be used everywhere Mastercard is accepted for healthcare expenses.

## AN INNOVATIVE HSA SOLUTION

Lane Health offers an innovative HSA that makes high deductible health plans less scary, allowing them to work for everyone not just the few that can afford to contribute and save. The exclusive Lane Health HSA offers greater peace of mind and makes bill paying simpler and more cost effective.

### INCLUSIVE

Upon activation, on-demand access to a line of credit<sup>1</sup> with no credit checks.

### PRE-TAX

Predictable payments for employees through employee pre-tax payroll deductions.

### NO RISK TO YOU, THE EMPLOYER

The Advance<sup>1</sup> line of credit is funded through Lane Health with no risk to the employer and no initial employee HSA contributions required.

### SAVINGS FOR ALL

Lower premiums and tax savings for you and your employees.

### AUTOMATIC

Employees who choose a qualified health plan can be automatically enrolled in an HSA, so no one is left behind!

### FLEXIBLE

Flexible implementation approach. Lane Health will easily integrate with existing processes and systems.

Lane Health can help add *VALUE* to your Benefits Program and provide a *NEW TYPE* of *PROTECTION* for your employees.

## IMPORTANT FOR EMPLOYEES

The Lane Health HSA provides a new source of financial protection and bill paying capacity for employees' healthcare expenses. With most HSAs, employees can only pay medical bills with pretax dollars if they've contributed to, and saved money in, their HSA. With Lane Health's HSA and the Advance<sup>1</sup> line of credit, they can pay those bills with pretax dollars anytime, and they have 12 months to repay Advances<sup>1</sup> from the time they are initiated.

## HOW DOES THE LANE HEALTH HSA AND THE ADVANCE<sup>1</sup> LINE OF CREDIT WORK?

Based primarily on employee's salary and length of employment, Lane Health will determine an Advance<sup>1</sup> line of credit for each employee. After activating the Advance<sup>1</sup> line of credit, they can simply swipe their Card With a Heart to pay for qualified medical expenses. Any cash in their HSA account is used first to pay a bill. If more is needed, funds are automatically provided up to their Advance<sup>1</sup> limit. The pretax HSA payroll deduction required to repay the Advance<sup>1</sup> over the following 12 months is automatically communicated to the employee and payroll provider.

## CREDIT EMPLOYEES RECEIVE

A minimum of \$500 and up to either their IRS contribution limit or four weeks of gross salary, whichever is lower. Lane Health can run a custom analysis for prospective clients upon request.

Upon activation, Lane Health will notify employees of their credit limits; they can also get their limit on our portal or by calling the Lane Health Concierge Member Service team.

The line of credit<sup>1</sup> is available on the first day of the plan year and the Advance<sup>1</sup> limit remains constant through the plan year and can be re-used as it's paid down. Employees can receive multiple Advances<sup>1</sup> up to their limit. Employees with late-year expenditures get the same benefit as those with early year expenditures.

No credit reports are pulled, and the employer is *NOT* responsible for funding Advances<sup>1</sup> and bears no risk of loss.

## PRIOR YEARS' EXPENSES

Lane Health offers a unique Refund Booster option that allows employees to make a one-time pre-tax HSA contribution for prior years' expenses. The refund is deposited to their bank account on the same pay date, so no cash outlay is required.

## COST TO PROVIDE

What does it cost employers to provide the Advance<sup>1</sup> line of credit through Lane Health to their employees? Nothing. Lane Health charges a competitive fee for administering the HSA; however, the payroll tax savings associated with increased HSA usage will substantially reduce, if not more than offset, those fees.

There are two fees:

- 1) An Origination Fee paid upfront and equal to 5% of the initial Advance<sup>1</sup> amount.
- 2) A Periodic Finance Fee charged quarterly.

Both fees are paid by the employee through pre-tax payroll deductions.

## EMPLOYEES SAVE

Employees save through reduced taxes when they pay their medical bills by using the Advance<sup>1</sup>. For someone paying 20% in federal, state and payroll taxes, a \$1,000 after-tax expense becomes approximately \$880<sup>2</sup> when paid with pre-tax dollars – even after Lane Health's fees are paid.

## OTHER TAX-ADVANTAGED ACCOUNTS

Additionally, Lane Health offers a broad array of accounts including HSA, HRA, FSA, LPFSA, Dependent Care and Commuter accounts, all on the single Card with a Heart!



**LANE HEALTH**

<sup>1</sup> Advances issued by WebBank

<sup>2</sup> Example: \$1,000 medical bill + \$110 fee - \$222 tax savings = \$888 post-tax equivalent

