

Maximize Your Health Benefits: The Smart Order for Using Your Healthcare Accounts

Using your health insurance, health FSA, and VEBA accounts strategically can reduce your annual medical expenses, but it is crucial to use them in the proper order to avoid wasting funds and preserve long-term value.

1 Start by letting your health insurance process every claim.

Insurers apply contracted rates to determine exactly what you owe, ensuring you don't overpay and that all your expenses count toward your deductible and out-of-pocket limits.

3 After your FSA funds are used up, you can turn to your Total Wellness Fund (TWF) VEBA account.

It's especially helpful for medical, dental, and vision costs that aren't covered by your healthcare insurance or FSA but are qualified expenses under the Internal Revenue Code (Section 213), which governs the TWF VEBA. Also, remember that any unused VEBA balance rolls over to the next year, providing a safety net for larger, unforeseen, or long-term healthcare costs.

2 After receiving the insurer's final statement, use your City of Seattle Health FSA to pay for your out-of-pocket expenses.

Most FSAs follow use-it-or-lose-it rules, so some or all of your unspent funds might expire at the end of the plan year. Your City of Seattle Health FSA allows up to \$660 of unused money to roll over into the next benefit year. Any amount above this limit will be lost, so careful planning is essential.

Remember, the total reimbursement from your FSA, TWF VEBA, and RSF (if applicable) cannot exceed your actual out-of-pocket expenses.

This sequence safeguards against wasted FSA funds while maintaining your VEBA's long-term growth, making sure every healthcare dollar works harder for you.