



LITTEN FINANCIAL GROUP LLC
HELPING TO SECURE YOUR FUTURE

Blog Post: What is a Medical Savings Account (MSA)?

Medicare works with private insurance companies to help offer you Medicare plans that will suit your needs. If you are familiar with Medicare or have seen all the commercials on T.V. then I am sure you have heard of Medicare Advantage Plans. A Medicare Medical Savings Account (MSA) is a type of Medicare Advantage Plan offered through private insurance companies.

MSA Plans combine a high-deductible plan with a savings account that will help pay for your health care expenses.

The MSA is a high deductible plan and you are responsible for paying for your medical expenses until you reach the deductible. The MSA Plan also acts as a savings account. Each year the MSA Plan deposits money into your plan's savings account. You can use this money to help pay for your medical expenses. Once you reach the deductible, then the plan pays 100% of additional Medicare Part A and Part B expenses incurred. Please note any deposit money left over at the end of the year will roll over to the following year.

Key Features of MSA Plans:

- MSA Plans have no network which means you have access to any Medicare provider.
- By law, MSA Plans cannot charge a premium.
- MSA Plans do not come with prescription drug coverage. You can pick a stand-alone Part D plan that fits your needs.
- You can use your deposit money towards extra benefits, such as dental, vision, and hearing costs, as well as your Part D prescription copays.
- If you use the deposit money for non-qualified expenses (food, clothing, housing), you will be taxed and penalized on the funds used for these expenses.

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