Consumer-Driven Healthcare Accounts

Employers have choices when it comes to these savings accounts.

Health savings accounts (HSAs) store tax-deferred money contributed by an employer, employee or both. The money rolls over yearly, and when used for healthcare it's tax-free. These accounts are paired with a high-deductible health insurance plan ($1000 per individual per year), which can lower employee premium costs, and they're fully portable if an employee changes jobs.

Health reimbursement arrangements (HRAs) are employer-funded accounts from which employees can draw tax-free to pay deductibles, copayments and fees for prescription, dental services and other health expenses. Employers need not commit funds until health expenses are actually incurred, and the accounts roll over yearly. They are often paired with high-deductible plans, and they can be portable.

Flexible spending accounts (FSAs) also use pre-tax dollars to pay a broad range of health-related expenses, but are employee-funded. They can be used with any health insurance, but not alongside an HSA. They don't roll over — employees must "use-it-or-lose it" — and they're not portable.

Some small companies may be eligible for **medical savings accounts (MSAs)**, with roll-over and portability, but with even higher insurance deductible requirements.