

The
YES I AM*cheap*
Guide To:

Understanding **HDHPs & HSAs** in 2026

A SIMPLE GUIDE TO LOWER PREMIUMS,
TAX ADVANTAGES, AND SMARTER
HEALTHCARE SAVINGS



*Real strategies.
Real freedom.*

Helping you build your
best financial life.



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Why This Matters

Healthcare costs continue to rise and so do insurance premiums.

High Deductible Health Plans (HDHPs) paired with Health Savings Accounts (HSAs) offer a powerful way to control your healthcare expenses, lower your premiums, and build long-term wealth.



This guide breaks down how HDHPs and HSAs work in 2026 so you can decide if they're the right fit for you.



Sandy Smith
Founder
[yesiamcheap.com](https://www.yesiamcheap.com)

High Deductible Health Plan (HDHP)

An HDHP is a health plan with a higher deductible and lower monthly premiums compared to traditional health plans.

For 2026, the IRS defines an HDHP as a plan with:

- ✔ A minimum deductible of \$1,700 for self-only coverage or \$3,400 for family coverage
- ✔ A maximum out-of-pocket limit of \$8,500 for self-only coverage or \$17,000 for family coverage



You pay 100% of covered expenses until you meet your deductible.

After that your plan starts paying its share.

Health Savings Account (HSA)



An HDHP is a tax advantaged account you can use to pay for qualified medical expenses.



It works with your HDHP to help you save more, pay less in taxes, and build long-term financial security.



HSAs are owned by you - not your employer - and stay with you even if you change jobs.

2026 Contribution & Coverage Limits

Coverage Type	Self Only	Family
HSA Maximum Contribution	\$4,400	\$8,750
HSA Catch-up Contribution (age 55+)	\$1,000	\$1,000
HDHP Minimum Deductible	\$1,700	\$3,400
HDHP Maximum Out-of-Pocket	\$8,500	\$17,000



Limits are set by the IRS and are subject to change. Always verify the latest numbers each year.

Why People Chose HDHPs



Lower monthly premiums



Preventive care is often covered at 100%



More control over healthcare spending



Tax advantages with an HSA



Portability - your HSA goes with you



Potential to build long-term wealth

The Advantages

- ✔ Lower premiums mean more money in your budget each month
- ✔ Tax-free HSA contributions reduce your taxable income
- ✔ HSA funds grow tax-free and can be invested
- ✔ Unused funds roll over year after year.
- ✔ Flexible - use HSA funds now or save for the future (een retirement)



An HDHP + HSA can be one of the most powerful financial strategies available today.

The Disadvantages

- ✘ Higher out of pocket costs before you meet your deductible
- ✘ Not ideal if you have frequent medical expenses
- ✘ Requires discipline to save and use your HSA widely
- ✘ Some services may cost more if you go out-of-network



HDHPs are not one-size-fits-all. Consider your health, budget, and financial goals.

How HSAs Help You Save



Pay for qualified expenses tax-free



Invest and grow your balance tax-free



Use funds in retirement for medical expenses



After age 65, funds can be use for non-medical expenses.
This will be taxed as ordinary income.

Triple Tax Advantage



TAX DEDUCTIBLE

Contributions lower your taxable income



TAX FREE GROWTH






Your money grows tax-free inside the HSA



TAX FREE WITHDRAWALS

Withdrawals for qualified expenses are tax-free






Mistakes to Avoid

-  Not understanding how deductibles work
-  Using HSA funds for non-qualified expenses (before age 65)
-  Not contributing enough to take full advantage of tax benefits
-  Ignoring preventive care
-  Choosing the plan based on premiums alone

Is an HDHP Right for You?



HDHPs may be a good fit if you:

-  Are generally healthy
-  Don't have frequent medical expenses
-  Want lower premiums
-  Can save consistently
-  Want long-term tax advantages



NOT SURE?

Run the numbers and compare your total estimated annual costs.

Questions to Ask During Open Enrollment

- ✔ What are the premiums?
- ✔ What is the deductible?
- ✔ What is the out-of-pocket maximum?
- ✔ Are my doctors in network?
- ✔ How much will I contribute to my HSA?
- ✔ Will my employer contribute?
- ✔ What are my expected healthcare costs?



Final Thoughts

HDHPs paired with HSAs can lower your healthcare costs today and build financial freedom for tomorrow.

Understand your options.

Use the numbers

Make the choice that fits your life.



Smart healthcare decisions lead to a healthier financial future.
You've got this!

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02 INTRODUCTION

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The Advantages

- ✓ Lower premiums mean more money in your budget each month.
- ✓ Tax-free HSA contributions reduce your taxable income.
- ✓ HSA funds grow tax-free and can be invested.
- ✓ Unused funds roll over year after year.
- ✓ Flexible—use HSA funds now or save for the future (even retirement).

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Mistakes to Avoid

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12 WHO SHOULD CONSIDER AN HDHP?

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CONTROL YOUR HEALTH.



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