

How To Make a High-Deductible Health Plan Work for You

These plans offer lower monthly payments, but in exchange patients can face steep out-of-pocket costs when they need care.

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An elementary school teacher chose a low-price health insurance plan but soon realized she wasn't clear about what it would mean for her family's finances.

"Once I got the insurance card, I compared our old plan to our new plan, and that's when I really got worried, because I didn't really understand what a deductible was. It got me thinking, how do I use this insurance?"

— Madison Burgess, 31, of San Diego

When enhanced federal subsidies expired at the end of 2025, a lot of people buying their own health insurance on the state and federal exchanges saw their expected monthly rates jump. To keep costs down, many switched to a high-deductible health plan. These plans offer lower monthly payments, but in exchange patients can face steep out-of-pocket costs when they need care.

The plans are pretty common. In 2023, 30% of people who got insurance through their employer had a high-deductible plan, up from only 4% in 2006.

Madison Burgess, a teacher in San Diego, gets health insurance through her teaching job. But when she investigated adding her husband to her plan, it was just too expensive, so she started shopping on the exchange for a cheaper option for him.

The longer she scrolled through the plan options, the more overwhelming it felt. Insurance jargon made it hard to tell what her family would owe if her husband got sick.

"I didn't know what a deductible was, so I just went with what was cheap, and now I have regret," she said.

In exchange for that lower monthly premium payment, her husband's coverage won't kick in for most care until they've paid \$5,800 in medical bills. Burgess didn't know that the deductible must be met before insurance picks up part of the tab.

Deductible: The amount you as the patient have to pay before insurance picks up part of the tab

Premium: The monthly bill for your policy, paid to the insurance company

How do you prepare for thousands of dollars in upfront costs? One option is a health savings account, or HSA, which lets you save pretax money and is now available to people enrolled in lower-tier state and federal exchange plans, including bronze and catastrophic coverage. These plans generally have the lowest premiums on the exchange but the highest out-of-pocket costs when you need care.

Burgess had chosen a bronze plan and didn't know HSAs were an option.

"I've never thought about having to put money away for a deductible," she said.

Burgess and others are often more worried about socking away money for unexpected car and house repairs or vet bills.

If, like Burgess, you chose cheaper health coverage for this year only to discover you're on the hook for meeting a high deductible, these tips can help you prepare.

1. You might qualify for an HSA and not know it.

If you're enrolled in a bronze or catastrophic plan, you qualify to open a health savings account. Think of it as a medical piggy bank with tax perks. You put in pretax money, which lowers your taxable income. The money grows tax-free, and when you spend it on [qualified medical expenses](#), those transactions are also tax-free. That's what people call a "triple tax advantage."

These accounts build a cushion for future health costs, such as doctor visits, prescriptions, and even products like over-the-counter medicine, tampons, and sunscreen.

The money typically can't be used for monthly premiums, but the account is yours to use for qualified medical expenses for yourself, your spouse, or your dependents anytime in the future. The money in the account is yours, even if you change jobs or health plans.

An HSA is not the same as a flexible spending account, or FSA. FSAs are tax-advantaged too but are offered only through employers. The money expires annually and you lose any remaining money when you leave that job.

2. HSA-curious? Here's how to open one.

You open a health savings account through a bank or other financial institution. The institution will issue you a debit card so you can make purchases from the HSA.

You can [open an HSA](#) at any point during the year as long as you're covered by an eligible plan. You can choose where to open the account, but be sure to check for any fees financial institutions charge and shop around.

If you get insurance through your job, your employer may require you to use a specific IRS-approved company.

Many people decide they can't afford to contribute to an HSA. For some households, the desire to set aside money for medical expenses competes with the need to pay rent and buy groceries.

But there's a detail that can make it feel more manageable. Contributions don't have to be large. Just a few dollars a month can get you started.

There is, however, a limit. The IRS sets an annual cap on how much you're allowed to contribute to an HSA. In 2026, an individual is limited to \$4,400, or \$8,750 for a family plan. Under that ceiling, the amount is up to you.

3. Preventive services should be covered at no cost to you.

All plans sold on marketplaces must cover [certain preventive services](#) at no cost to the patient as long as the care is provided in-network. Those services include routine immunizations and cancer screenings.

Beyond preventive care, understanding what different services cost can help you decide which type of medical appointment works best for your health needs and your wallet. For example, some plans charge less for a telehealth visit than to see your primary care doctor in person.

Check out your [summary of benefits](#) for more details.

4. Seek care early in the year.

Most deductibles reset on January 1. Scheduling appointments or surgeries early in the year can be strategic if you discover a condition that requires ongoing care. If you can afford it, meeting your deductible sooner can make the rest of the year significantly cheaper, said Caitlin Donovan, a senior director at the Patient Advocate Foundation.

5. Consider paying cash instead of spending down your deductible.

Some hospitals, clinics, or other providers offer cheaper prices if you pay cash. You have the [right to an itemized estimate](#) and explanation of how much a health service would cost if you paid out-of-pocket. Ask for the estimate before you get care. Then, compare that price with what your insurance company tells you it would cost if you used your insurance. If you decide to go with a cash payment, you'll need to pay while you're still at the doctor's office, before charges get submitted to your insurance company.

Paying cash may save you money, but the amount you pay generally won't count toward your deductible or out-of-pocket maximum.

"If you don't think you're ever going to hit your deductible — you're that young invincible, and your deductible is \$10,000 — negotiate the cash price," Donovan said.

6. On an ACA plan? Update your income and use an HSA to avoid a tax surprise.

If you're on an ACA plan and you're eligible for subsidies, be aware: If your [earnings change](#) and you don't update your marketplace application, you could owe thousands of dollars at tax time. The [fix is simple](#). Report raises, new jobs, or side gigs as they happen. If your income goes up, stashing money in an HSA can help because the money you put in the account doesn't count toward your taxable income.

As soon as you report an increase in your income, that could mean higher premiums (if you no longer qualify for the same subsidy), but experts say it's better to pay now than owe a big bill that you have to pay all at once.

"One of the biggest problems I see is someone is newly unemployed and they sign up for coverage, they say that they're not making any money, and then eventually they get a job and don't report it, and then they have this huge tax bill at the end," Donovan said.

She advises updating your marketplace profile as soon as your income changes, which could newly qualify you for Medicaid or a plan that contributes more toward your medical bills.

Taylor Cook contributed to this report.

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