



Harvard Pilgrim
Health Care



West Suburban Health Group High Deductible Health Plan with HSA

November 30, 2017

Today's Agenda

1. Consumer Driven Health – A new way to Receive Your Health Benefits
2. HMO/PPO Plan Design Features
3. Health Savings Accounts
4. Q&A



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Qualified HDHP Plan Designs

HMO / PPO Plan Basics

- The same network you are accustomed to
- HMO Plan requires PCP's and Referrals for Specialty Care*
 - Referrals not needed for OB/GYN, Chiro, Routine Eye, Emergency Room
- HMO members must stay within the HPHC Provider Network.
- PPO Plan does not require PCP's or Referrals for Care.
- PPO Plan allows for out of network care for which a member pays a deductible and 20% coinsurance.

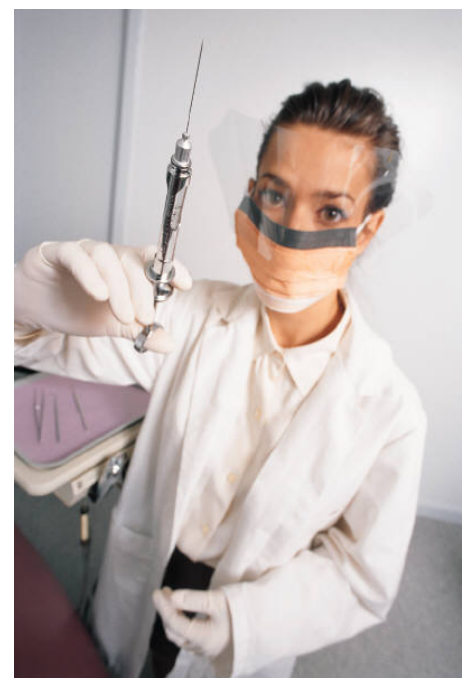
Plan	PCP	Referral	In-Network	Out-of-Network
HMO	Yes	Yes	Yes	No
PPO	No	No	Yes	Yes

HMO HSA 2000

- HPHC Best Buy H.S.A. HMO \$2,000
 - \$2,000 Individual / \$4,000 Family overall Deductible
 - All Services (except Preventative Care and certain preventive drugs) are subject to deductible
 - Rx Also subject to Deductible (except for some preventive meds)
 - Plan is paired with Employer/Employee funded tax advantaged Health Savings Account

Select Preventive Care Is Covered in Full

- Select routine office visits
 - Routine physicals for adults and children
 - Annual gyn
- Prenatal and post-partum care
- Immunizations
- Select disease screenings and tests
 - Mammogram and pap
 - PSA
 - Colorectal cancer screening
 - Routine blood work and urinalysis



Other Services Are Subject to Deductible

- **Diagnostics, including** (but not limited to)
 - Non-preventive office visits
 - Imaging (x-ray, MRI, CT scan)
 - Non-preventive laboratory
 - Emergency services
- **Treatments, including** (but not limited to)
 - Inpatient services and day surgery
 - Emergency services
 - Outpatient therapies such as chemo and radiation
 - Behavioral and substance abuse counseling
 - Prescription drugs (except for certain preventive drugs)



Your In-Network Deductible

- Your plan deductible:
 - Self-only contract: \$2,000
 - Family contract: \$4,000
 - No individual deductible on family contract
- Once you meet the deductible, you incur the following cost-sharing*:
 - Prescription Drugs: \$10/\$30/\$65
\$25/\$75/\$165 (90 day mail)

*Certain preventive drugs are not subject to the deductible

Deductible Notes

- You never pay more than Harvard Pilgrim's negotiated rate for services subject to deductible
 - Providers cannot “balance bill” you the difference between their retail price and our contracted rate
- You typically don't pay for medical services at the time of service
- The network includes
 - All contracted providers
 - Urgent/emergent care anywhere in the world
 - All prescription drugs

Preventive Drug Benefit

- Certain medications to help prevent chronic conditions and illnesses are *not* subject to the deductible.
- Anticoagulants & Platelet Aggregation Inhibitors for STROKE PREVENTION
- Antineoplastics for BREAST CANCER
- Blood Glucose Regulators for DIABETES
- Cardiovascular Agents for HEART DISEASE/HYPERTENSION
- Dyslipidemics for HIGH CHOLESTEROL
- Hormonal (Parathyroid/Metabolic Bone Disease) for OSTEOPOROSIS
- PEDIATRIC VITAMINS with FLUORIDE
- PRENATAL VITAMINS (excludes over-the-counter products)
- Respiratory Agents for ASTHMA/COPD
- SMOKING CESSATION

A complete list of specific drugs can be found at www.harvardpilgrim.org/rx.

Example No. 1

- You injure your knee
 - Doctor visit to diagnose is subject to deductible
 - MRI is subject to deductible
 - Day surgery is subject to deductible
 - Surgeon
 - Anesthesiologist
 - Facility

Follow-up physical therapy is subject to deductible



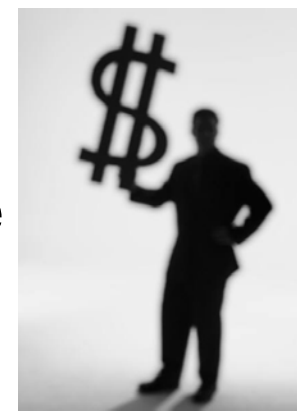
Example No. 2



- Routine annual physical is covered in full
- Routine blood work, flu shot and urinalysis are covered in full
- EKG and lab tests to check thyroid function are subject to deductible
- Consult with dermatologist to evaluate two moles is subject to deductible

Tips to Accessing Cost-Effective Care

- Consider site of service when medically appropriate
 - Urgent care facility vs. emergency room
 - Free-standing imaging center vs. hospital
 - Independent lab vs. hospital
- Check to see whether a pharmacy has promotional drug prices
- Talk to your doctor about generic drugs, pill splitting and alternatives to prescriptions
- Live an active, healthy lifestyle to minimize the needs to access care



HMO Best Buy HSA \$2,000

	HMO Plan Features
<i>In-Network Benefits</i>	
Plan Year Deductible	\$2,000 Ind / \$4,000 Fam
Plan Year Out-of-Pocket Maximum Expense	\$5,000 Ind/ \$10,000 Fam
Preventative Care (Routine PCP, GYN & “Select Preventative” Labs)	Covered in full
Office Visit (Non Routine- PCP / Mental Health)	100% after deductible
Office Visit - Specialist	
Chiropractic Care	100% after deductible (20 visits each PPY)
PT/OT	100% after deductible (30 visits combined PPY)
Routine Eye Exam (1 PPY)	Covered in Full
Emergency Room Visit	Covered in full after deductible
Inpatient Hospital Stay	
Outpatient Hospital / Day Surgery	
Diagnostic Lab/X-Ray, MRI, CAT, PET Scans	
Rx Copays (30 day Supply)	After deductible \$10/\$30/\$65 (Ded. waived for certain preventive drugs)
Rx Copays – (90 Day Mail Order)	After deductible \$20/\$75/\$165 (Ded. waived for certain preventive drugs)



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Health Savings Accounts

What is a Health Savings Account (HSA)?

- A *Health Savings Account (HSA)* is a tax-advantaged account where money can be set aside to pay for future medical expenses.
- IRS rules make HSAs available to participants of a High Deductible Health Plan, which is funded by employers and individuals
- Owned by the individual, not a current or past employer
- Portable and inheritable

Health Savings Account (HSA) Funding

- Employer will fund up to 50% of the deductible directly to the HSA
 - \$1,000 for Individual Coverage and \$2,000 for Family Coverage
 - Deposited into the employee owned account
 - Can be front loaded or staggered throughout the plan year
- Employees can fund additional amounts up to the IRS Maximum (pre or post tax)
 - \$3,450 **2018** IRS Maximum for Individual Coverage
 - \$6,900 **2018** IRS Maximum for Family Coverage
 - If 55 years of age or turning 55 in 2018, add \$1,000 to total contribution limits

Health Savings Account Features

- 100% Employee owned and managed
- Funding is tax preferred
- Employer and/or Employee funded
- Only spend what is vested (deposited into account)
- Interest bearing, investment options
- Permanent and Portable
- Use it or keep it
- Cash out feature (20% IRS penalty)

Other HSA Benefits

- Your HSA is inheritable
 - You name a beneficiary
- Your HSA is portable
 - You take it with you when you leave employment
 - You can carry balances into retirement
- Your HSA is flexible
 - You can delay reimbursement to build balances
- Your HSA is powerful
 - Tax benefits vs. workplace retirement account or traditional IRA to pay retiree medical expenses

Health Savings Account (HSA) Eligibility

- Participants must be enrolled in an HSA-qualified High Deductible Health Plan.
 - **Note:** *You can only contribute funds to your HSA while you are covered under a HDHP. However, if you end your HDHP coverage, you can still pay for qualified medical expenses from your HSA – with all of the tax advantages!*
- Cannot be covered by any other insurance, including TRICARE, that reimburses for health expenses (*unless another HSA-qualified HDHP*)
- Cannot be enrolled in Medicare (Part A, B, or D) or Medicaid
- Cannot be eligible to be claimed as a dependent on another person's tax return and must be over 18 years of age
- You or your spouse cannot be enrolled in a Medical Flexible Spending Account (or have a remaining balance)

HSA Distributions

- You can reimburse tax-free your own, your spouse's and your tax dependents' eligible expenses
 - Payment can be made directly to the provider or to you, the subscriber
- No time limit on reimbursements
- Reimbursements for non-eligible items are subject to income tax and 20% penalty
- You don't need to remain HSA-eligible to make tax-free distributions

HSA Distributions

- Eligible Expenses

- Medical (including Health Plan cost-sharing)
- Non-cosmetic dental, including orthodontia
- Vision, including vision correction surgery
- Over-the-counter equipment and supplies (plus OTC drugs and medicine with a prescription)
- Medical premiums only if collecting unemployment or continuing coverage through COBRA
- Medicare Part B and Part D premiums
- Medicare Advantage premiums
- Many Medicare supplement plan premiums
- Long-term care insurance premiums

Harvard Pilgrim and HSA – How do they interact?

- Member receives covered services, claim is filed to HPHC by the provider
- Claim processed by HPHC at the contracted discount
- Deductible amount applied if appropriate
 - Provider notified of allowed amount and patient responsibility
 - Member notified via Activity Summary of actual charges, allowed amount, and patient responsibility
 - Claim file sent to HSA administrator
- Subscriber pays their designated portion to the provider either personally, or through HSA website

Individual Coverage Scenario

Average Medical Plan Use

Estimated Member Cost	WSHG Benchmark	H.S.A Qualified HMO
Annual Premium est. 25% Employee Cost	\$2,492	\$1,965
Deductible	\$300	\$2,000 (combined medical and Rx)
Preventive Care	\$0	\$0
1 Prescription (Tier 2, Retail)	\$30	\$150 (ded)
1 Regular Sick Visit	\$20	\$120 (ded)
1 Throat Culture	\$60 (ded)	\$60 (ded)
1 Specialist Appointments	\$60 T2	\$150 (ded)
Subtotal	\$2,662	\$2,445
Health Savings Account Funding	N/A	\$1,000
Total Estimated Member Cost	\$2,662	\$1,445

Individual Coverage Higher Plan Use

Estimated Member Cost	WSHG Benchmark	H.S.A. Qualified HMO
Annual Premium est. 25% Employee Cost	\$2,492	\$1,965
Deductible	\$300	\$2,000 (combined medical & Rx)
Preventive Care	\$0	\$0
3 Prescriptions (Tier 2)	\$90	\$450 (ded)
2 Regular Sick Visits	\$40	\$240 (ded)
2 Specialist Appointments	\$120 (T2)	\$300 (ded)
1 MRI (300 ded + 100 copay)	\$400	\$1,010 (ded)
5 Physical Therapy Visits	\$100	\$0
2 OPD Labs	\$0	\$0
Subtotal	\$3,242	\$3,965
Health Savings Account Funding	N/A	\$1,000
Total Estimated Member Cost	\$3,242	\$2,965

Family Coverage Scenario

Average Medical Plan Use

Estimated Member Cost	WSHG Benchmark	H.S.A Qualified HMO
Annual Premium est. 25% Member Cost	\$6,492	\$5,127
Deductible	\$300/\$900	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Medication (Tier 1)	\$120	\$156 (ded)
Monthly Rx (Tier 1)	\$120	\$396 (ded)
Monthly Preventive Rx (Tier 2)	\$360	\$360
2 Regular Sick Visit	\$40	\$240 (ded)
2 Specialist Appointment (T2)	\$120	\$300 (ded)
1 Throat Culture	\$60 (ded)	\$60 (ded)
Subtotal	\$7,192	\$6,639
Health Savings Account Funding	N/A	\$2,000
Total Estimated Member Cost	\$7,192	\$4,639

Family Coverage Scenario

High Medical Plan Use

Estimated Member Cost	WSHG Benchmark	H.S.A. Qualified HMO
Annual Premium est. 25% Member Cost	\$6,492	\$5,127
Deductible	\$300/\$900	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Prescription (Flovent) (Tier 2)	\$360	\$1,700 (ded)
5 Regular Sick Visits	\$100	\$750 (ded)
3 Throat Cultures	\$0	\$102 (ded)
1 MRI (\$300 ded+\$100 copay)	\$400	\$1,448 (ded)
Inpatient Surgery (\$300 ded + \$500 copay)	\$800	\$0
10 Physical Therapy Visits	\$200	\$0
1 ER Visit (ded met, \$100 copay)	\$100	\$0
Subtotal	\$8,419	\$9,127
Health Savings Account Funding	N/A	\$2,000
Total Estimated Cost	\$8,452	\$7,127

Discussion and Questions

