



# **LEDYARD PUBLIC SCHOOLS**

**HIGH DEDUCTIBLE HEALTH PLAN AND  
HEALTH SAVINGS ACCOUNT**

**Retired Teachers Educational Sessions**

*February 24, 2016*

# Agenda

## Overview

## HDHP Basic Structure

## HSA Basic Structure

## Your HDHP/HSA Plan At-A-Glance

## Using Your HDHP/HSA Plan

- Medical
- Pharmacy
- HSA

## Anthem Value Added Programs

## What You Need to do



# An Overview

- **“HSA Plan” has two parts:**

1. High Deductible Health Plan (HDHP) – the insurance plan
2. Health Savings Account (HSA) – the bank account

- **Insurance Plan**

- Uses same network of participating providers as your current Century Preferred PPO copay plan

- **Bank Account**

- IRS regulations apply
- Owned by you

- **Dental Benefits**

- No changes this year



# High Deductible Health Plan – Basic Structure

- **Medical Plan (Lumenos) is a High Deductible Health Plan (HDHP).**
- **Medical Services now subject to Annual Deductible.**
  - Copays no longer apply
- **Prescription Services now subject to Annual Deductible.**
  - Covered at 100% after deductible is met
- **Dental Services treated same as always.**
- **Preventative Medical Services paid at 100% (In-Network).**
- **Lumenos HDHP:**
  - \$2,000 Annual Plan Year Deductible for Individual Coverage
  - \$4,000 Annual Plan Year Deductible for Family Coverage



# Health Savings Account – Basic Structure

- Personal deposits are not subject to tax if withdrawn for qualified Medical services, and used for a tax-qualified member/dependent
- After age 65, withdrawals from the HSA may be made for any reason, but are subject to income tax, if not a qualified expense
- **Members may fund the deductible with personal deposits**  
You may not participate in a non-HDHP benefit option and contribute to the HSA; Medicare and regular Flexible Spending Account plans are considered a non-HDHP plan.
- **Annual IRS Tax Year Limits for 2016 contributions:**
  - Individual:           \$3,350
  - Family:               \$6,750
  - Additional “Catch Up” Contribution: \$1,000/Year if Age 55+



# Anthem's HDHP Lumenos Plan

- Stay healthy with Preventive Care coverage
- You can make contributions to your account to use toward your deductible and/or co-insurance to pay for medical care and prescription drugs
- Once you have satisfied your annual deductible, Traditional Health Coverage covers additional expenses
- Earn dollars in the cash rewards account to help offset your deductible by completing programs promoting healthy behaviors
- An annual out-of-pocket max protects you from large medical expenses

Preventive Care  
100% In-Network

HSA – Bank Account  
Funded by you to help  
satisfy annual deductible  
and save for future  
medical expenses

Annual Deductible

Traditional Health  
Coverage

Extra Cash Rewards



# Your HDHP/HSA Plan Details At-A-Glance

	Anthem's Lumenos® with HSA Plan	Single Coverage	Family Coverage
<b>Preventive</b>	Nationally recommended services	Covered 100% in network	
<b>HSA</b>	You may fund your Deductible through an HSA and get a tax break at tax filing time		
<b>Traditional Health Coverage</b>	<b>Annual Deductible</b> You can use the tax advantaged funds from your Health Savings Account to satisfy your annual deductible	\$2,000	\$4,000
	<b>Medical &amp; Prescription Drug Expenses</b> After your deductible is satisfied the plan pays:	100% for in-network providers 80% for out-of-network providers	
	<b>Annual Out-of-Pocket Maximum:</b> (includes the deductible)	<b>In-Network</b> \$2,000 <b>Out-of-Network</b> \$3,000	<b>In-Network</b> \$4,000 <b>Out-of-Network</b> \$6,000



# Using Your Plan for Medical Expenses

## When you visit an in-network doctor:

- Show your ID card at the time of service.
- Typically you pay nothing at the time of service. Your provider will file a claim.
- You will receive a Claim Recap showing the total cost and the “allowed” cost. Your provider will then bill you for the “allowed” cost of the service(s).
- If you have funds in your HSA you can pay your provider using your HSA checkbook or debit card, or use other funds and reimburse yourself from the HSA account at a later date.
- If you have fulfilled your deductible, Anthem will pay the provider directly.

## When you visit a doctor that is not in the network:

- Show your ID card at the time of service.
- You may be asked to pay at the time of services.
- Use your HSA checkbook or debit card to pay your provider for services (provided you have the funds available) or use other funds and reimburse yourself from the HSA account at a later date.
- If your provider does not file a claim on your behalf, you will need to file a claim with Anthem BCBS to ensure expenses get applied towards your deductible.
- You can download a claim form at [anthem.com](https://www.anthem.com).





# Using Your Plan for Pharmacy Expenses

## When you visit a pharmacy:

- Show your ID card.
- Until you have satisfied your annual deductible you will pay for prescription drugs at Anthem's discounted prices; after deductible, covered at 100%.
- You can use your HSA debit card or checkbook to pay, as long as there are funds available in your HSA account or you can pay with other funds and reimburse yourself later from your HSA.
- Once you satisfy your deductible, prescriptions are covered at 100% at In network pharmacies, or 80% of allowable charges out-of-network.
- Prescriptions are dispensed in 30 day quantities at retail pharmacies.
- For the lowest costs, visit [www.anthem.com](http://www.anthem.com) to learn about generics and other cost saving measures.

## Or order your prescriptions by mail:

- Order a 90-day supply for maintenance medications.
- Until you have satisfied your annual deductible you will pay for prescription drugs at Anthem's discounted prices; after deductible, covered at 100%.
- If you have met your deductible, Anthem will pay the pharmacy directly.
- Mail Order may be less expensive as they buy in bulk.



# Making Tax Free Contributions

## Ways to Contribute to Your HSA Account:

- Post-tax by personal check or deposit. When you file your taxes, you can make an adjustment to your gross income to receive the tax benefit.
- The Federal annual maximums for 2016 are (per household):
  - \$3,350 for individual coverage.
  - \$6,750 for family coverage.
  - Note: Age 55 or older, additional \$1,000 yr. allowed.
- Qualified expenses are listed at IRS website [www.irs.gov](http://www.irs.gov) under Publication 502.
- Earn Cash Rewards.



# “Covered” vs. “Qualified” Medical Expenses

## Covered Expenses

- Services Covered under the HDHP (medical, scripts)
- Services Count towards the Deductible (except Preventive)
- Services Reimbursed by the HDHP (In or Out-of-Network)

- **Qualified Expenses**

- Health Care expenses identified by the IRS as “Qualified” (see Publication 502, [www.irs.gov](http://www.irs.gov))
- Similar to Qualified Expenses under Sec. 125 Reimbursement Plans.
- Includes:
  - Medical
  - Prescription Expenses
  - Dental Expenses
  - Certain OTC Expenses



# Earn Cash Rewards Deposited Direct to your HSA Account

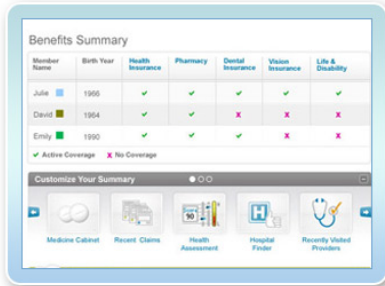
Earn extra account dollars for activities that contribute to your health and well-being:

- Future Moms Participation/Completion: Up to \$200
- Healthy Lifestyle Online Participation: Up to \$150
- Condition Care Participation/Completion: Up to \$300



# Anthem.com – Quick Answers to Your Questions

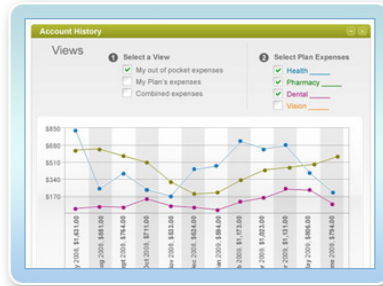
- ▶ View your coverage, doctors and prescriptions – with a single click



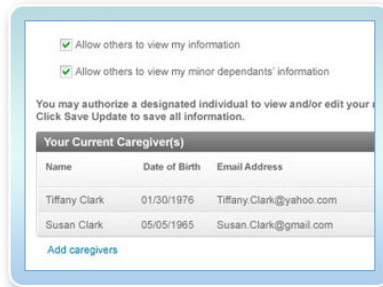
- ▶ View complex information through simple charts, graphs and illustrations



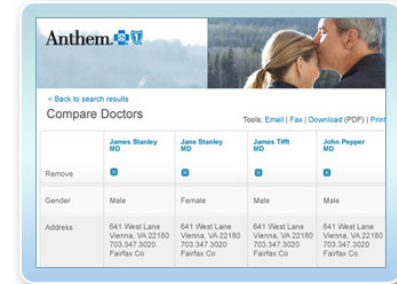
- ▶ Get a side-by-side view of your claims and benefits



- ▶ Provide access to your health information for loved ones



- ▶ Quickly find doctors and facilities in-network – and see which ones are best



- ▶ Easily access health services to help improve your life – and those around you



The Anthem Care Comparison tool is also available to compare the cost of health care services

# Special Offers @ Anthem SM

Unique value-added program that complements your Anthem benefits!

- Competitive discounts provided by nationally recognized vendors
- Discounts on health and wellness products and services
- Participating provider listing found online



SpecialOffers@Anthem

# What do you need to do?

- Open enrollment begins April 15, 2016 and ends May 15, 2016.
- Open an HSA account with a local bank and decide how much you want to contribute to your HSA account. HSA contributions can also be made anytime prior to the tax filing deadline April 15<sup>th</sup>, for the prior calendar year up to IRS annual limits.

## Questions?

- Banking Representative available to answer HSA questions.
- Anthem and Arthur J. Gallagher available to address individual/personal situations.



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