



## East Hartford - Town (CSEA) 2013 High Deductible Health Plan Workshops



# 2013 Health & Welfare Benefits

- ❖ **July 1, 2013** there will be no change to our insurance carriers, but we will replace the Medical plan with the lowest participation.
- ❖ **Aetna** will continue to provide \$20,000 of Life/AD&D coverage at no cost to you. You will still have the option to purchase Short Term & Long Term Disability insurance for yourself and additional Life/AD&D benefits for yourself, your spouse and children.
- ❖ **Anthem** will continue to offer you the same PPO plan, but a High Deductible Health Plan (HDHP) will replace their HMO plan:
  - Medical PPO – Preferred Provider Organization (Century Preferred)
  - Medical HDHP – High Deductible Health Plan (HDHP \$1,500 / \$3,000) (*PPO Network*)
- ❖ **HSA Bank** will administer a Health Savings Account (HSA) for those employees enrolled in the HDHP option.
- ❖ **ConnectiCare** will continue to offer their HMO plan.
- ❖ **DELTA Dental** will continue to offer the same dental PPO plan.

# Plan Comparisons – Medical (In-network)

| In-Network Benefit                    | Anthem - PPO | ConnectiCare - HMO | Anthem - HDHP   |
|---------------------------------------|--------------|--------------------|-----------------|
| Deductible (Individual/Family)        | N/A          | N/A                | \$1,500/\$3,000 |
| Coinsurance                           | 0%           | 0%                 | 0%              |
| Out-of-Pocket Max (Individual/Family) | N/A          | N/A                | \$1,500/\$3,000 |
| Benefit Maximum                       | Unlimited    | Unlimited          | Unlimited       |
| Preventive Care                       | \$0          | \$0                | \$0             |
| PCP Office Visit                      | \$5          | \$5                | Deductible Only |
| Specialist Office Visit               | \$5          | \$5                | Deductible Only |
| Radiology (advanced & non-advanced)   | \$0          | \$0                | Deductible Only |
| Outpatient Therapy                    | \$5          | \$0                | Deductible Only |
| Chiropractic Care                     | \$5          | \$0                | Deductible Only |
| Urgent Care                           | \$25         | \$10               | Deductible Only |
| Emergency Room                        | \$25         | \$25               | Deductible Only |
| Ambulance                             | \$0          | \$0                | Deductible Only |
| Outpatient Hospital                   | \$5          | \$5                | Deductible Only |
| Inpatient Hospital                    | \$0          | \$0                | Deductible Only |

# Plan Comparisons – Medical (Out of network) & Pharmacy

| Out-of-Network Benefit                | Anthem - PPO            | ConnectiCare – HMO | Anthem - HDHP         |
|---------------------------------------|-------------------------|--------------------|-----------------------|
| Deductible (Individual/Family)        | \$200/\$400/\$500       | N/A                | \$1,500/\$3,000       |
| Coinsurance                           | 20%                     | N/A                | 20%                   |
| Out-of-Pocket Max (Individual/Family) | \$1,000/\$2,000/\$2,500 | N/A                | \$4,000/\$8,000       |
| Benefit Maximum                       | Unlimited               | N/A                | Unlimited             |
| In-Network Prescription Drug          | Medco                   | Medco              | Anthem - HDHP         |
| Deductible (Individual/Family)        | N/A                     | N/A                | \$1,500/\$3,000       |
| Out-of-Pocket Max (Individual/Family) | N/A                     | N/A                | \$1,500/\$3,000       |
| Annual Maximum                        | \$2,000                 | Unlimited          | Unlimited             |
| <b>Retail Pharmacy</b>                |                         |                    |                       |
| Generic                               | \$3                     | \$5                | \$10 after deductible |
| Brand                                 | \$6                     | \$5                | \$25 after deductible |
| Non-Listed Brand                      | \$6                     | \$10               | \$40 after deductible |
| <b>Mail Order Pharmacy</b>            |                         |                    |                       |
| Generic                               | \$0                     | \$10               | \$10 after deductible |
| Brand                                 | \$0                     | \$10               | \$50 after deductible |
| Non-Listed Brand                      | \$0                     | \$20               | \$80 after deductible |

**Anthem PPO** – Pharmacy claims in excess of the \$2,000 maximum do not receive the Medco discounts

# Medical/Rx Contribution Comparison

❖ *Medical Plan Cost (based on 7/1/13 rates and contribution logic)*

| Annual Contributions - Medical/Rx |               |                    |               |
|-----------------------------------|---------------|--------------------|---------------|
| Annual Medical Cost               | Anthem – PPO  | ConnectiCare – HMO | Anthem – HDHP |
| Employee Only                     | \$2,234 (24%) | \$2,745 (24%)      | \$1,146 (14%) |
| Employee + 1                      | \$4,469 (24%) | \$5,490 (24%)      | \$2,293 (14%) |
| Family                            | \$6,025 (24%) | \$7,412 (24%)      | \$3,022 (14%) |

# Save Money with the HDHP Option

## ❖ Medical Plan Cost Comparison *(based on 7/1/13 rates and contribution logic).*

- The comparison below is just between the PPO and HDHP (The ConnectiCare HMO is the most expensive option and will provide even greater savings than what is shown below).

| Annual Contributions – Medical /Rx        |              |               |                               |
|---|--------------|---------------|-------------------------------|
| Annual Medical Cost                       | Anthem - PPO | Anthem – HDHP | Minimum Savings (PPO to HDHP) |
| Employee Only                             | \$2,234      | \$1,146       | \$1,088                       |
| Employee + 1                              | \$4,469      | \$2,293       | \$2,176                       |
| Family                                    | \$6,025      | \$3,022       | \$3,003                       |
| Health Savings Account (Employer Funding) |              |               | You Receive                   |
| Employee Only                             |              |               | \$750                         |
| Employee + 1                              |              |               | \$1,500                       |
| Family                                    |              |               | \$1,500                       |
| Annual Combine Savings with HDHP Election |              |               | Total Savings                 |
| Employee Only                             |              |               | \$1,838                       |
| Employee + 1                              |              |               | \$3,676                       |
| Family                                    |              |               | \$4,503                       |

# High Deductible Health Plan Summary

## ❖ Medical Plan Cost Comparison *(based on 7/1/13 rates and contribution logic)*

|               | HDHP Savings | HDHP Deductible | Employee Cost Differential |
|---------------|--------------|-----------------|----------------------------|
| Employee Only | \$1,838      | \$1,500         | +\$338                     |
| Employee + 1  | \$3,676      | \$3,000         | +\$676                     |
| Family        | \$4,503      | \$3,000         | +\$1,503                   |

- ❖ Based on 7/1/13 premium rates and contribution logic, the HDHP / HSA is more cost effective than the PPO at every coverage level when you consider the lower HDHP contributions and HSA funding provided by the Town.

# High Deductible Health Plan Frequently Asked Questions

- ❖ What is the difference between a HDHP and a HSA? *(benefit plan vs. savings account)*
- ❖ How does the HDHP plan differ from my current plan? *(shift in responsibility)*
- ❖ Does the HDHP use the same Anthem provider network? *(yes)*
- ❖ How is preventive care covered? *(In full – no deductible)*
- ❖ How are pharmacy benefits covered? *(subject to deductible , then copayments)*
- ❖ What is my maximum financial responsibility?
  - *In Network (\$1,500 / \$3,000 deductible & Rx Copayments)*
  - *Out of Network (\$4,000 / \$8,000 out-of-pocket maximum)*
- ❖ If there are no Medical copayments, how do I pay the provider?
  - *In general, the only place you pay at point of service is the Pharmacy*
  - *Verify insurance was applied via EOB and provider invoice (discount & payment)*
  - *Health Savings Account – Debit Card, On-line banking, check*
  - *Out of pocket – reimburse yourself with tax-free dollars through your HSA*

# Health Savings Account

## Frequently Asked Questions

- ❖ Will the Town contribute toward my HSA? *(50% of the deductible funded on July 1<sup>st</sup> - Active)*
- ❖ Can I contribute to my HSA? *(Yes – pre-tax payroll deductions)*
- ❖ Is there a “use it or lose it” provision? *(No, this is your personal account)*
- ❖ Is there a maximum contribution to a HSA? *(C.Y. 2013 - \$3,250 / \$6,450 – includes Town funds)*
- ❖ Is there a tax advantage? *(Pre-tax contribution, tax free earnings and eligible expenditures)*
- ❖ Are there fees associated with a HSA? *(\$1.75 per month unless \$3,000+ balance at end of month)*
- ❖ Who owns the HSA? *(It is your personal account should you leave the Town or retire)*
- ❖ How do I access funds? *(Check, debit card, on-line banking)*
- ❖ What can HSA funds be used for? *(Eligible under IRS section 502, COBRA, Medicare Supplement..)*
- ❖ Are there penalties for misuse of funds? *(20% penalty prior to age 65 / always taxable)*
- ❖ What expenses go towards my deductible? *(Unreimbursed Medical & Rx covered by the plan)*
- ❖ Can I enroll in a HSA if I am enrolled for coverage other than a qualified HDHP?  
*(Not if enrolled in FSA, Medicare, as dependent of spouse non-qualified plan)*

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