

Cape Cod Municipal Health Group Qualified High Deductible Health Plans



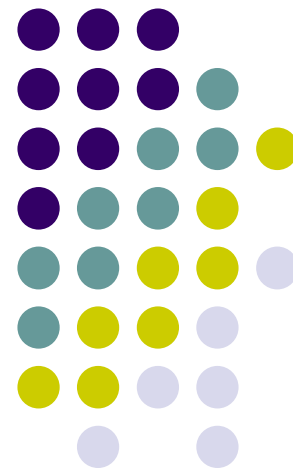
Harvard Pilgrim
HealthCare



MASSACHUSETTS



Cape Cod
Municipal Health Group



Today's Agenda



- Consumer Driven Health – A new way to Receive Your Benefits
- HMO/PPO Plan Design Features
- Q&A



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 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



- 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 Health Savings Account
- Best Buy HSA PPO \$2,000
 - In Network Benefits the same as HMO
 - No Referrals to specialists required/ no designated PCP required
 - Out of Network services subject to coinsurance and overall deductible
 - Plan is paired with Employer/Employee funded Health Savings Account



UNDERSTANDING HOW BENEFITS ARE DELIVERED

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)

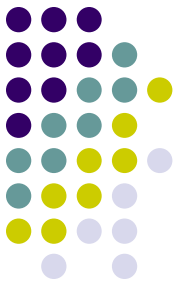
Your In-Network Deductible



- 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)

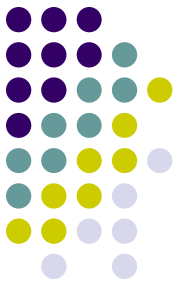
*Certain preventive drugs are not subject to the deductible

Deductible Notes



- You never pay more than the carrier'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

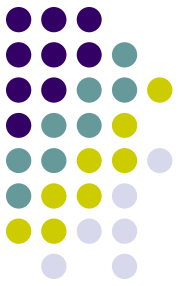
*A complete list of specific drugs can be found at [The Health Plan Websites](#)

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



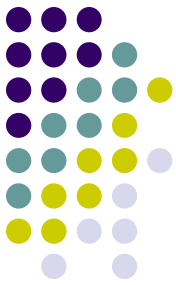
- Routine annual physical is covered in full
- Routine blood work, flu shot and urinalysis are covered in full
- EKG and lab tests to check thyroid function are subject to deductible
- Consult with dermatologist to evaluate two moles is subject to deductible

Tips to Accessing Cost-Effective Care



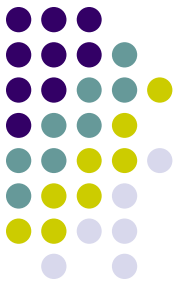
- Consider site of service when medically appropriate
 - Urgent care facility vs. emergency room
 - Free-standing imaging center vs. hospital
 - Independent lab vs. hospital
- Check to see whether a pharmacy has promotional drug prices
- Talk to your doctor about generic drugs, pill splitting and alternatives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

HMO HSA \$2,000



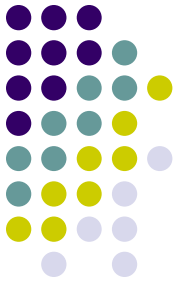
	HMO Plan Features
<i>In-Network Benefits</i>	
Plan Year Deductible	\$2,000 Ind / \$4,000 Fam
Plan Year Out-of-Pocket Maximum Expense	\$5,000 Ind/ \$10,000 Fam
Preventative Care (Routine PCP, GYN & “Select Preventative” Labs)	Covered in full
Office Visit (Non Routine- PCP / Mental Health)	100% after deductible
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)

PPO HSA \$2,000

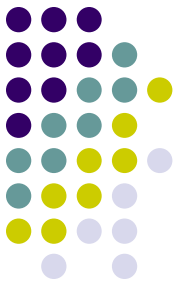


PLAN DESIGN	PPO Best Buy HSA
<i>In-Network Benefits</i>	
Plan Year Deductible	\$2,000 (I) / \$4,000 (F)
Plan Year Out-of-Pocket Maximum (in/out combined)	\$5,000 (I) / \$10,000 (F)
Preventative Care (Routine PCP, GYN & “Select Preventative” Labs)	Covered in Full
Office Visit (Non Routine- PCP)	100% after deductible
Office Visit - Specialist	100% after deductible
Chiropractic Care	100% after deductible (20 visits)
PT/OT	100% after deductible (30 visits combined PPY)
Emergency Room Visit	100% after deductible
Inpatient Stay	Covered in full after deductible
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/\$70/\$165 (Ded. Waived for certain preventive drugs)
<i>Out-of-Network Benefits</i>	
Deductible	\$2,000 (I) / \$4,000 (F)
Coinsurance	20%
Plan Year Out-of-Pocket Maximum (in/out combined)	\$5,000 (I) / \$10,000 (F)

Questions

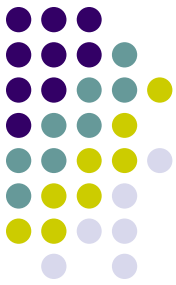


How Does That Effect You ?



- We are going over four Scenarios
 - Individual Coverage Scenario- Average Medical Plan Use
 - Individual Coverage- Higher Medical Plan Use
 - Family Coverage Scenario- Average Medical Plan Use
 - Family Coverage Scenario- Higher Medical Plan Use

Individual Coverage Scenario – Average Medical Plan Use



<u>Estimated Member Cost</u>	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% employee cost	\$2,427.00	\$2,032.00
Deductible	\$300	\$2,000 (combined medical and Rx)
Preventive Care	\$0	\$0
1 Prescription (tier 2, retail)	\$30	\$150
1 Regular Sick Visits	\$20	\$120
1 Specialist appointments	\$45	\$150
Subtotal	\$2,522.00	\$2,452.00
Health Savings Account Funding	N/A	\$1,000
<u>Total Estimated Cost</u>	<u>\$2,522.00</u>	<u>\$1,452.00</u>



Individual Coverage – Higher Medical Plan Use

<u>Estimated Member Cost</u>	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% employee cost	\$2,427.00	\$2,032.00
Deductible	\$300	\$2,000 (combined medical and Rx)
Preventive Care	\$0	\$0
3 Prescriptions (tier 2)	\$90	\$450
2 Regular Sick Visits	\$40	\$240
2 Specialist appointments	\$90	\$300
1 MRI (300 ded +100 copay)	\$400	\$1,010
5 Physical Therapy Visits	\$100	\$0
Subtotal	\$3,147.00	\$4,032.00
Health Savings Account Funding	N/A	\$1,000
<u>Total Estimated Cost</u>	<u>\$3,147.00</u>	<u>\$3,032.00</u>

Family Coverage Scenario – Average Medical Plan Use



<u>Estimated Member Cost</u>	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% member cost	\$6,519.00	\$5,455.00
Deductible	\$900	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Blood Pressure Medication (tier 1)	\$120	\$156
Monthly Rx- Cholesterol Medication (tier 1)	\$120	\$396
Monthly Type II Diabetes Prevention Rx (tier 1)	\$120	\$360
1 Regular Sick Visit	\$20	\$120
2 Specialist appointments	\$90	\$300
Subtotal	\$6,989.00	\$6,787.00
Health Savings Account Funding	N/A	\$2,000
<u>Total Estimated Cost</u>	<u>\$6,989.00</u>	<u>\$4,787.00</u>

Family Coverage Scenario – Higher Medical Plan Use



Estimated Member Cost	Network Blue HMO	H.S.A. Qualified HMO
Annual Premium est. 25% member cost	\$6,519.00	\$5,455.00
Deductible	\$900	\$4,000 (combined medical and Rx)
Preventive Care	\$0	\$0
Monthly Flovent Prescription (Tier 2- mail)	\$300	\$1,700
5 Regular Sick Visits	\$100	\$750
3 Throat Cultures	\$0	\$102
1 MRI (\$300 ded.+ \$100 copay)	\$400	\$1,448
Inpatient Surgery (\$300 deductible +\$500 copay)	\$800	\$0
10 Physical Therapy Visits	\$200	\$0
1 ER Visit (\$100 copay)	\$100	\$0
Subtotal	\$8,419.00	\$9,455.00
Health Savings Account	N/A	\$2,000
Total Estimated Cost	<u>\$8,419.00</u>	<u>\$7,455.00</u>

HEALTH SAVINGS ACCOUNT (HSA) HEALTH EQUITY

Health Equity – Partnership



HealthEquity
Building Health Savings™

BCBSMA/HPHC for:

- Medical Plan(s)

Health Equity (HEQ) for:

- Health Savings Account (HSA)

Health Equity Partnership Advantages

- Members can reach HEQ by reaching out to HEQ direct or by calling carriers
- BCBSMA/HPHC will transfer calls directly to HEQ during normal business hours
- HEQ offers dedicated customer service 24/7/365

What is a Health Savings Account?



What Is a HSA (Health Savings Account)?

Tax advantaged account allowing you to put money aside to pay for qualified medical expenses now and in the future

Individual Account Ownership

You control the money in your account

- Use it for eligible expenses today
- Save it for a later date
- Use it for you, your spouse and your tax dependents*

*HSA tax-dependent rule: up to age 19 or, if full-time student to age 24. When no longer a tax-dependent but on parent's High Deductible Health Plans (through age 26), out-of-pocket medical expenses cannot be paid with the parent's HSA. Adult child would set up their own HSA to pay for their own medical expenses

https://www.irs.gov/publications/p501/ar02.html#en_US_2015_publink1000220886

What Are The Advantages Of A Health Savings Account?



Potential for *Triple* Tax Savings at the Federal level

- HSA contributions are not subject to federal income tax (in 2016 subject to state income tax in AL, CA and NJ only)
- Tax free earnings on dollars accumulating in the HSA
- Tax free withdrawals for qualified medical expenses

Portable

- You keep the money in the HSA account even if you change jobs
- Unused funds rollover from year to year

Health Savings Account Eligibility Requirements



In order to contribute to an HSA, you must meet the following criteria:

- You must be enrolled in a qualified High Deductible Health plan (HDHP)
- You cannot have other health coverage (see IRS Publication 969)
- You cannot be enrolled in any part of Medicare or Medicaid
- You cannot be listed as a dependent on someone else's tax return
- You cannot be active in the military*
- You cannot be enrolled in a Full Scope Health FSA (including through a spouse's plan) or have an FSA balance during the grace period

*Veterans enrolled in a High Deductible Health Plans with no other disqualifying coverage and who have a service-connected disability may make or receive HSA contributions regardless of when they received VA benefits.

Health Savings Account Contributions



IRS Contribution Limits

2017 IRS HSA Contribution Limits (Employee + Employer contributions)

Employee Only	\$3,400
---------------	---------

Employee +1 or Family	\$6,750
-----------------------	---------

Age 55 and older – Additional \$1,000 "catch-up" contribution allowed

Funding Your HSA

Your employer will provide the following funds into your HSA at the beginning of the plan year on 7/1/17.

Employee Only	\$1,000
---------------	---------

Employee +1 or Family	\$2,000
-----------------------	---------

You may choose contribute to your HSA through Pretax Payroll Deduction

Health Savings Account Contribution Considerations



In order to contribute the HSA MAXIMUM AMOUNT for 2017

- Employees who do not remain HSA eligible for an entire tax year will have an adjusted contribution maximum
- If you decide to fund your HS.A. to the IRS maximum in 2017, you must maintain coverage in an HSA compliant health plan until December 31, 2018

To understand how this may impact you, the IRS provides guidance on page 5

<https://www.irs.gov/pub/irs-pdf/p969.pdf>

HSA Qualified Expenses

Qualified medical expenses as outlined in IRS publication 502, and IRC Section 213 (d) <https://www.irs.gov/pub/irs-pdf/p502.pdf> include:

- Deductibles
- Co-pays
- Co-insurance
- Eyeglasses/contact lenses
- Dental care

Withdrawals not used for qualified medical expenses are included in gross income for tax purposes and are subject to an additional 20% penalty and taxes (penalty waived if age 65 or over)



Spending Your HSA: Medical Care



Go to the doctor



Present your Medical ID card

Doctor sends Blue Cross/HPHC
the bill



Blue Cross/HPHC adjusts price based on
discounts

BCBSMA/HPHC sends you a
Claim Summary & Provider sends
you their bill

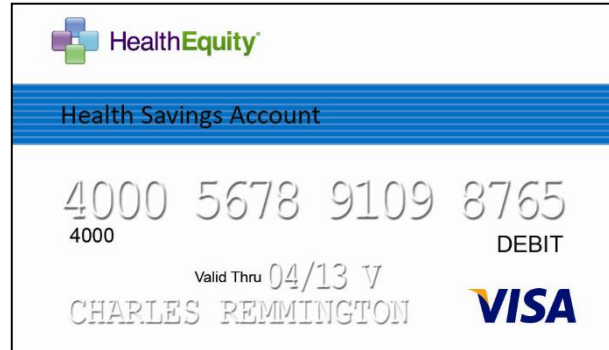


Employee pays provider with HealthEquity®
Visa® Health Account Card or via the online
portal*

You decide how to pay provider:

- Use funds from your HSA
- Use your own money and save HSA fund for future

Spending your HSA: Prescriptions



Go to pharmacy



Show Medical ID card

Pharmacy applies discount



Pay with HSA card

Pharmacy sends claim to Blue
Cross/HPHC



Blue Cross/HPHC applies amount
to your deductible – no paperwork
needed

You decide how to pay provider:

- Use funds from your HSA
- Use your own money and save HSA fund for future

Investment Options To Grow HSA Funds



Deposit Account

- Insured by the Federal Deposit Insurance Corporation (FDIC)

Investment Opportunity

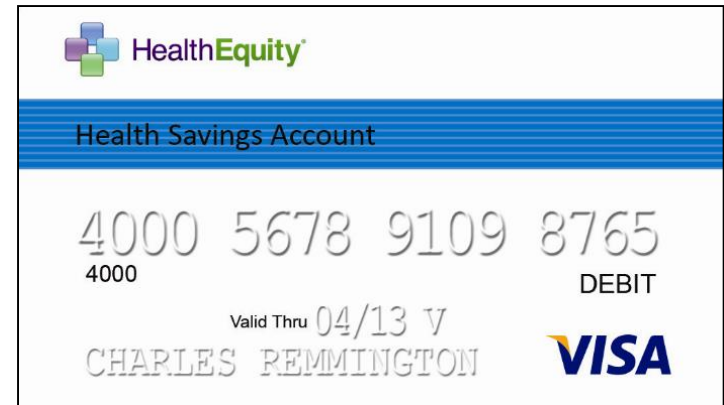
- \$2,000 minimum deposit account balance must be reached and maintained to invest future contributions
- Health Equity mutual funds available for investment from conservative to aggressive
- A brief overview of each HSA mutual fund option is available on the HealthEquity website or by following this link: [HealthEquity Investment Overview](#)
- Mutual fund investments are not insured

HSA Multiple Ways To Pay Or Get Reimbursed



Reimbursement options include:

- Debit Card* - for immediate payment at pharmacies and doctors' offices.
- Online distributions - use Health Equity Online Portal to make online one-time transfers into any bank account or pay your provider directly
- Manual Reimbursement Request - submit a manual reimbursement request



You will receive a Welcome Kit with Debit Card(s)

- New enrollees: 2 cards for employee +1 and family additional cards may be requested, \$5 fee for more than 3 cards
- *Already a member? Keep your HSA cards until expiration date on card*

*Daily Limit of \$2,500. Call HealthEquity to override.

Health Equity HSA Member Portal

www.myhealthequity.com

The screenshot shows the HealthEquity member portal interface. At the top, there's a header with the Massachusetts state seal logo, the user name 'John Doe (5555555)', and a 'Sign Out' link. Below the header is a navigation bar with links: 'My Account', 'Claims & Payments', 'Docs & Forms', 'Resources', 'Contact', and an email icon. The main content area is divided into several sections:

- Account Balances:** A table showing 'HSA Available Balance' as \$233.43 and '2015 FSA 9909' as \$0.00.
- Quick Links:** A list of links with right-pointing arrows: 'Pay Doctor/Provider', 'Request Reimbursement', 'Make Contribution', 'Transaction History', 'Reimbursement Account Detail', 'Claims History', and 'Investments'.
- Maximize your tax savings:** A large purple banner with the text 'Maximize your tax savings by maximizing your HSA contribution'. Below it, a table shows 'HSA contribution limits' for 2015 and 2016: Individual limit (\$3,350), Family limit (\$6,650), and a 'ROLL OVER' section for 'year after year' with a 'DEC 31' deadline.
- Resources:** A list of links: 'AHealthyMe', 'Cost & Quality Tools', and 'Prescription Pricing Tool'.
- To Do:** A list of tasks: 'Unresolved Claims' (0), 'Unlinked Receipts/Docs' (0), and 'Unread Messages' (0).
- 2015 FSA 9909:** A section with a table showing 'Available Amount' (\$0.00), 'Benefit Amount' (\$750.00), 'Last Day To Spend' (31 Dec 2015), 'Last Day To Submit' (31 Mar 2016), 'Eligible Expenses' (with a right arrow), and 'Plan Detail' (with a right arrow).
- REACH YOUR POTENTIAL:** A blue banner with the text 'Once your HSA balance reaches \$1,000.00 you can start investing' and a 'LEARN MORE' button.

Use your HealthEquity mobile app to:

- Get on-the-go access
- Take a photo of documentation and link to claims
- Send payments and reimbursements from HSA
- View claims status



Use your HealthEquity member portal to:

- Check your balance
- Review claims & transactions
- Submit claims or documents
- Pay your providers
- Reimburse yourself
- Access tax documents



TIP!

HealthEquity is GREEN!
Paper Statements: \$1.00
Checks: \$2.00

FREE! Direct Deposit
FREE! E-Statements

Questions?



HealthEquity

- Call HealthEquity toll-free number 877-694-3938
- Every hour of Every day 24 hours a day, 7 days a week, 365 days a year!
- Visit www.myhealthequity.com

Blue Cross Blue Shield of Massachusetts/HPHC

- Call Member Service toll-free number on ID card
- Visit your health plan website