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Human Resources: High Deductible Health Plan with Health Savings Account (HDHP-HSA)

Blue Care Elect Saver

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If you are enrolled or considering enrolling in the High Deductible Health Plan with Health Savings Account (HDHP-HSA), the following should provide you with a summary of the plan along with some helpful tips on how the plan works.

Plan Features and Highlights

- BCBS Plan Name: *Blue Care Elect Saver*
- WHOI pays 75% of the premium, employee pays 25%
- Annual Deductible: $1,500 for individual coverage, $3,000 for family coverage*
- WHOI will fund 50% of the deductible through the HSA
- Uses BCBS' national PPO network
- In-network and out-of-network coverage
- No Primary Care Physician required
- No referrals to Specialists required
- Employees can make voluntary contribution to HSA
- Employees can participate in new 'Limited Purpose' Healthcare Flexible Spending Account (Health LP-FSA)

* family coverage = employee + spouse, employee + child(ren), and employee + family

Annual Deductible
The plan requires an upfront annual deductible of $1,500 for individual coverage and $3,000 for family coverage. Once the annual deductible is met, all services covered in full except prescriptions, which will then require a co-payment.

The family deductible of $3,000 can be met by one member or any combination of members enrolled under the same family plan (no individual cap per member). Under a plan that includes the subscriber and eligible dependents, the entire amount of the family deductible must be met before benefits will be provided for any one member.

Services subject to the Annual Deductible
All services, except for routine preventive visits, are subject to the deductible. This includes Rx prescriptions under this plan.

In-Network
The HDHP-HSA plan is part of BCBS of Massachusetts national PPO provider network which includes more than 90% of all practicing physicians and hospitals across the United States (not limited to Massachusetts or New England). You receive the highest level of benefits under your health care plan when you obtain covered services from in-network providers. To find a preferred provider in the PPO network, visit the BCBS website at www.bluecrossma.com/findadoctor and select the 'Blue Care Elect (PPO/EPO)' network.

Out-of-Network
Under this plan, you can also receive covered services from non-preferred providers (out-of-network providers who are not part of the PPO network). After your plan deductible is met, you pay an additional 20% co-insurance for out-of-network services, up to the plan's annual out-of-pocket maximum. The Plan's annual out-of-pocket maximum is either $5,000 or $10,000 depending on coverage level for individual or family. This annual maximum includes the annual deductible.

Health Savings Account (HSA)

HSA: Employer Contributions
With the HDHP-HSA Plan, a Health Savings Account (HSA) will be offered and tied to that plan. For 2015, the Institution will make a contribution to the employee's HSA equal to 50% of the annual deductible under this plan - this equates to $750 for employees enrolled in individual coverage and $1,500 for family coverage. For 2015, the Institution is committed to making this HSA contribution upfront as a single lump sum contribution in January 2015.

NOTE: The HSA is pro-rated for any mid-year enrollments into the HDHP-HSA plan. For example, an employee who would enroll in the plan in March would receive 10/12ths of the annual HSA employer contribution.

HSA: Employee Contributions
In addition to the HSA contribution from WHOI, employees may also make their own voluntary pre-tax contributions to their HSA account. Unlike an FSA account, the IRS allows for contributions to an HSA at any time during the year, including mid-year changes. So for those employees who may be unsure during Open Enrollment, they have plenty of time during the year to make or change their HSA election.

HSA: 2015 Contribution Limits

Annual contributions to an HSA are limited by the IRS each year. For 2015, the maximum amount of HSA contributions for an employee enrolled in indvidual coverage under the HDHP-HSA plan is $3,350 and $6,650 for those enrolled in family coverage. Remember, family coverage includes employee + spouse and employee + child(ren) coverage. The limits take into account the combined employer and employee contributions. For example, with the WHOI HSA contribution of $750 for individual coverage, an employee can contribute up to $2600. to his/her HSA in 2015. The annual contribution limits are subject to change each year by the IRS and are usually increased for inflation.

The IRS also allows for an additional $1,000 annual contribution for employees age 55 or older. For example, in 2015 an individual age 55+ can have up to $4,300 in HSA contributions (employer and employee combined).

HSA: Excess Contributions

In addition to the annual limits, the IRS also has specific rules for HSA contributions during the year in that they cannot exceed the amount of months that the employee is covered by the HDHP-HSA plan. This would only impact someone who ends coverage in the HDHP-HSA plan mid-year.

EXAMPLE: An employee under age 55 has individual coverage in the HDHP-HSA plan. The employee either ends employment or changes status and loses eligibility for coverage in April 2015. In this example, the IRS would only allow pro-rated HSA contributions for 4 months (Jan - April). Taking the annual individual contribution limit for 2015 of $3,350, this employee would only be allowed to have up to $1,100 in HSA contributions. Any contributions in excess of that amount would need to be distributed from the HSA account and would be considered as taxable income to the employee.

HSA: Age Restrictions

Per IRS regulations, employees age 65 or older can only participate in a Health Savings Account if they are not enrolled in Medicare. Employees in this age category who wish to enroll in the HDHP-HSA plan should verify their Medicare enrollment status with the Social Security office.

HSA: Taxation

HSA contributions (both employer and employee) are tax-free as long as they are used for eligible expenses. Eligible expenses are defined by the IRS under Code Section 213(d). For a detailed explanation and listing of eligible expenses, please review the IRS publication at: http://www.irs.gov/pub/irs-pdf/p502.pdf

HSA: Ownership/Portability

HSA contributions are fully owned by the employee. Unused HSA dollars are not forfeited like an FSA, and are completely portable if you end employment with/or retire from the Institution.

For more detailed information about the new Health Savings Account, please visit the HR/Benefits website under the 2015 Medical Plan Changes webpage at: http://www.whoi.edu/HR/page.do?pid=122717

How will I pay for my medical expenses under the HDHP-HSA plan?

Annual *routine preventive services* are covered in full with no office visit co-payment or deductible charges.

Rx *prescription drugs* are subject to the deductible. Once the deductible is met, Rx co-payments apply based on the drug tier level (e.g., $10/$25/$45).

For *services that are subject to the deductible*, you should not pay anything at the point of service and follow these instructions:

At the Doctor's Office:

- Go to the doctor and show your BCBS ID card
- Provider submits claim to BCBS
- BCBS processes the claim and determines the allowable/contracted charges
- BCBS sends a claims summary to the provider for appropriate billing and to the patient for their records
- Provider bills patient based on BCBS allowable charges
- BCBS sends claims information to Health Equity for online HSA claims administration
- Pay doctor your cost share from your HSA account with Health Equity (if funds are available), or pay out-of-pocket if you prefer to save your HSA money. NOTE: you may reimburse yourself later from your HSA once funds are available.
- Receive email notification from Health Equity of payment/reimbursement as well as monthly statement.

At the pharmacy:

- Go to pharmacy
- Show your BCBS ID card
- Pharmacy applies discount
- The pharmacy will determine your member cost share
- Pay pharmacy from your HSA funds by debit card (if funds are available), or pay out-of-pocket if you prefer to save your HSA money or if funds are not available. NOTE: You may reimburse yourself later from your HSA once funds are available.
- Claim is sent to BCBS to be applied to deductible

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