High Deductible Health Plan (HDHP) and Health Savings Account (HSA)

Think of it as a well-constructed house!

1. **Deductible**
   - Member pays 100% of allowable charges up to annual deductible
   - $3,000 member only
   - $6,000 member + any family members reduced with Call to Health

2. **Copayment**
   - Member pays 20% of allowable charges and plan pays 80% (for prescription drugs, member pays 30% and plan pays 70%), up to annual copayment maximum

3. **Copayment maximum**
   - Member pays $0 for allowable charges for rest of year when this amount is reached
   - $6,750 member/$13,500 family*
   - *Reflects Affordable Care Act maximums for 2019

Member can use funds in HSA to pay deductible and copayments

Member pays flat dollar copay with no deductible for preventive drugs

How It’s Similar to the PPO and EPO

- network preventive care covered 100%
- reduced deductibles with Call to Health
- protected by copayment maximum
- same provider network – must use network providers (same as EPO)
- includes coverage for prescription drugs
- no referrals needed

How It’s Different from the PPO and EPO

- highest annual deductible
- lowest cost for coverage
- pay out-of-pocket for all covered expenses up to deductible (except preventive care, including certain drugs)
- if eligible family members enrolled, the entire $6,000 family deductible must be met before plan pays
- may be paired with a tax-advantaged health savings account (HSA)

The HSA

- an individual bank account for qualified healthcare expenses
- unused HSA funds roll over (no limits apply)
- use as healthcare costs incurred or save for future expenses (including into retirement)
- goes with you if you change medical plans, start a new job, or retire

To open and contribute to an HSA, you

- must be covered by an HSA-compatible health plan, such as the HDHP offered through the Board;
- cannot be covered by any other medical plan that is not an HSA-compatible health plan, including a spouse’s medical plan;
- cannot typically be enrolled in a healthcare flexible spending account;
- cannot be enrolled in Medicare or Tricare;
- cannot be claimed as a dependent on someone else’s tax return, and
- must be a U.S. resident.

HSA tax advantages

- contributions, including any from employer
  - $35 go in tax-free
- interest and account growth
  - account grows tax-free
- withdrawals for eligible expenses
  - $33 come out tax-free