

# HDHP 101

## State Employer Training

It's Your Choice High Deductible Health Plan  
*(Recorded Webinar)*

Plan Year 2019



# Overview

High Deductible  
Health Plan  
(HDHP)

Health Savings  
Account  
(HSA)

Limited Purpose  
Flexible Spending  
Account  
(LPFSA)

Eligibility

Resources

State Only

# Overview

High Deductible  
Health Plan  
(HDHP)

Eligibility

Resources

State Only

# Eligibility

## HDHP 101

# What is an HDHP?



Lower annual  
premium



Higher annual  
deductible



Paired with the  
state-sponsored  
HSA

# What is an HSA?



Individually-owned,  
tax-advantaged  
account



Pays for current  
and future medical  
expenses



Paired with an IYC  
HDHP

# Who is Eligible for HDHP & HSA?

- Those currently eligible for the State of Wisconsin Group Health Insurance Program



# Who is Not Eligible?

Short-term  
academic staff  
not in the WRS

Graduate  
assistants

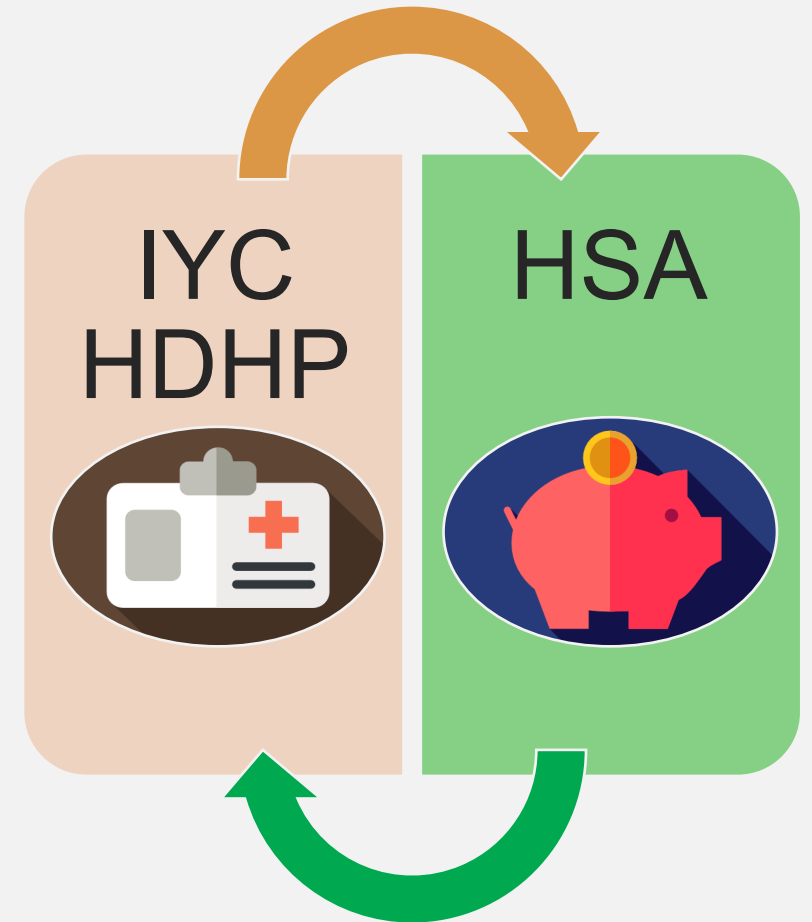
Annuitants older  
than 65

Subscribers with  
disqualifying  
other coverage



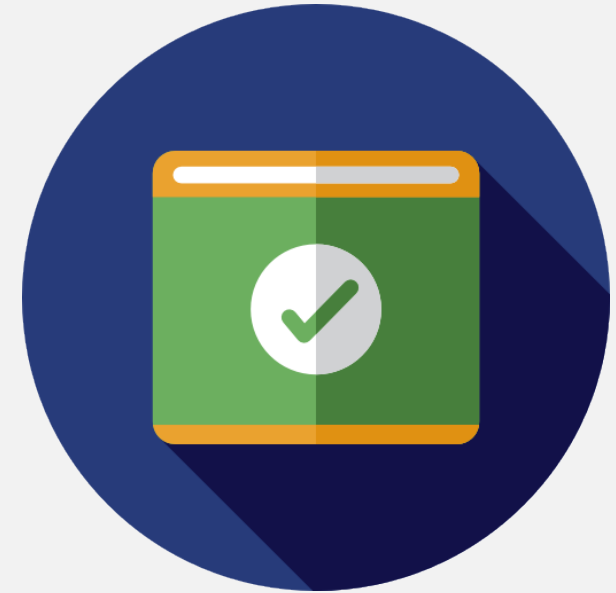
# Dual Enrollment Requirement

- State members electing an It's Your Choice (IYC) HDHP must also enroll in the state-sponsored HSA
- Intended to help members successfully plan for health care expenses



# Coverage Requirements

- The **subscribing** member:
  - **Must** be covered by an IYC HDHP **and** enrolled in the state-sponsored HSA
  - **Cannot** have any other disqualifying coverage
  - **Must** notify their human resources/benefits office if they become enrolled in any other disqualifying coverage



# Permitted Other Coverage

Certain types of other insurance are permitted

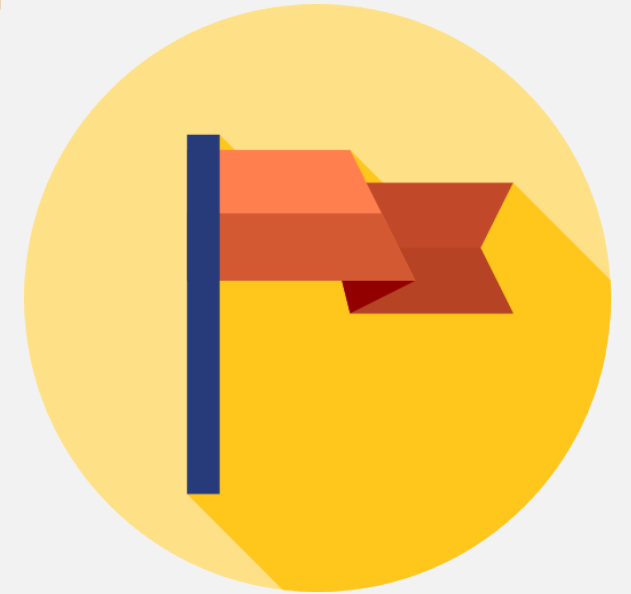
- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Accident/liability</li><li>• Dental care</li><li>• Vision care</li><li>• Long-term care</li><li>• Disability</li><li>• Workers compensation</li><li>• Hospitalization</li></ul> | <ul style="list-style-type: none"><li>• Specific disease or illness insurance, if it pays a specific dollar amount when policy is triggered</li><li>• Wellness and employee assistance programs (EAP) that do not pay significant benefits</li></ul> |
|---|--|



# Disqualifying Coverage

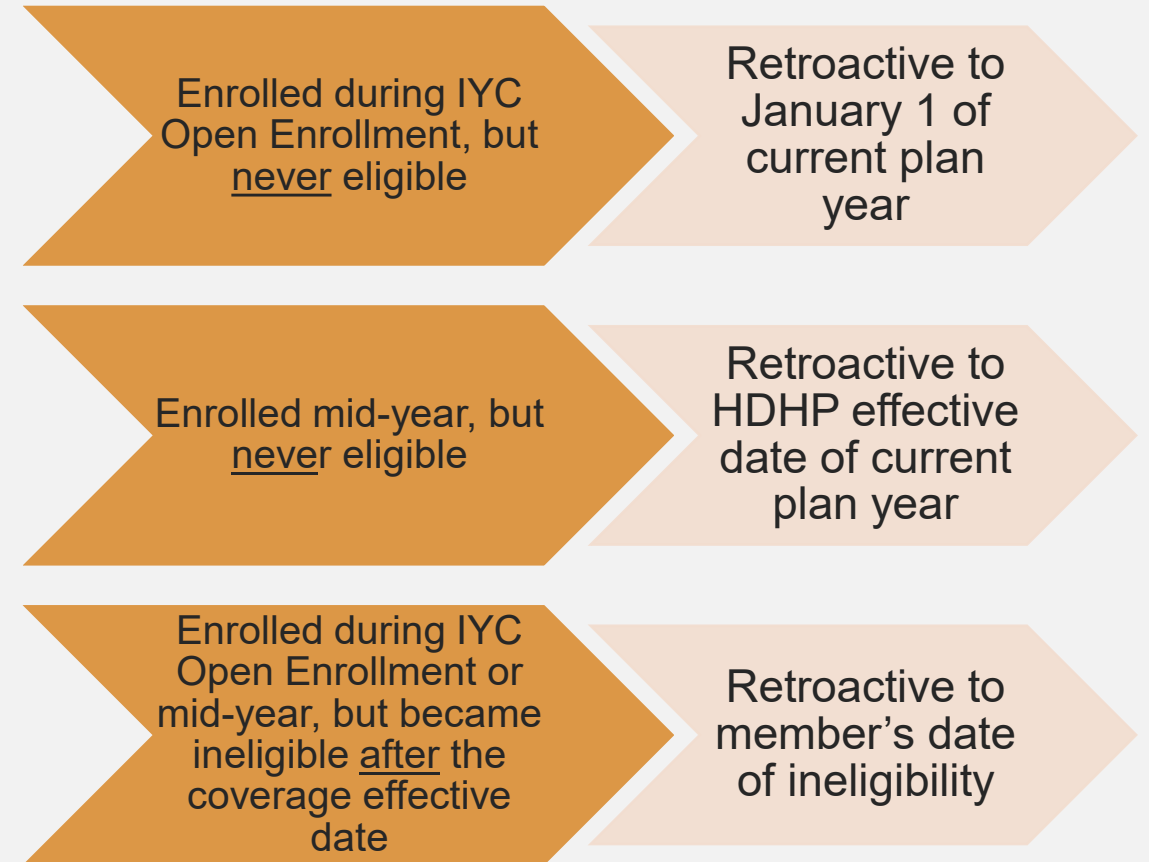
The **subscribing** member cannot:

- Be enrolled in Medicare (any part, including Part A or Part B)
- Be covered by TRICARE
- Have accessed Veterans Administration (VA) benefits in the past 90 days (except for benefits related to service connected disability)
- Be claimed as a dependent on another person's tax return (except spouse)
- Have a Health Care FSA (also applies to spouse)
- [IYC FAQ \(See HDHP for Disqualifying Coverage\)](#)



# Disqualifying Coverage

- If the subscribing member is determined to be ineligible:
  - Coverage will be changed to the non-HDHP plan design with the same insurance carrier
  - Premiums and claims will be retroactively adjusted



# Disqualifying Coverage

- If the subscribing member is determined to be ineligible for an IYC HDHP, it will also have a significant impact on their HSA

HSA custodian  
returns all  
contributions

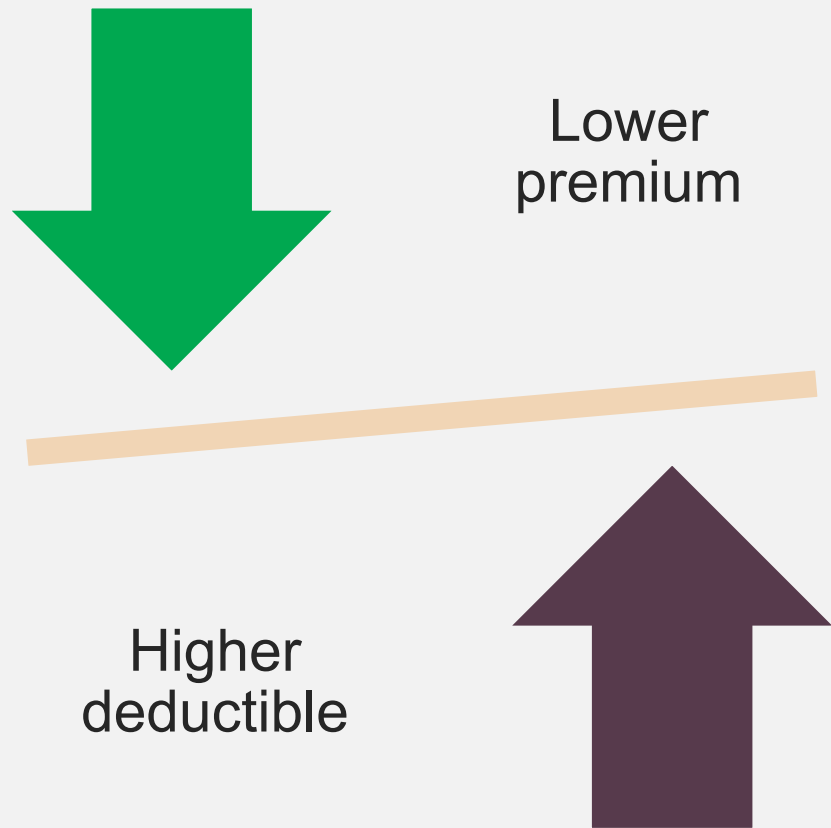
Member can be  
requested to repay  
employer  
contribution spent

Unpaid fund  
amount included  
as gross income  
and wages on W-2

# How It Works

## HDHP 101

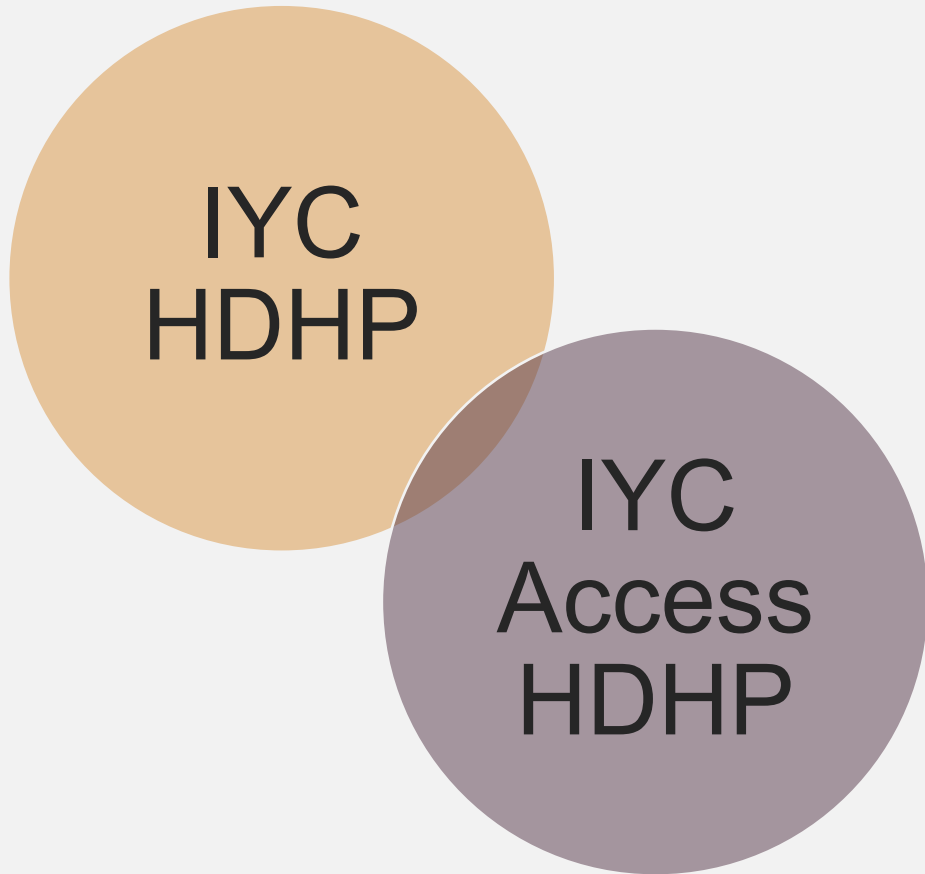
# How Does an HDHP Work?



- It's Your Choice (IYC) HDHP offerings are HSA qualified
- IYC HDHPs **must** be paired with the state-sponsored HSA
- HSAs allow members to pay for expenses with pre-tax funds
- Members trade lower premiums for higher costs at time of service



# IYC HDHP Plan Designs



- **IYC HDHP** and **IYC Access HDHP** have similar cost breakdowns, including:
  - Annual medical deductible
  - Out-of-Pocket Limit (OOPL)
  - Copay amounts
  - Post-deductible coinsurance amounts
- IYC Access HDHP benefits utilized out-of-network have different limits
- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete breakdown of costs by plan design

# Monthly Premium Comparison

## 2019 Employee Monthly Contribution Rates *Medical with Dental*

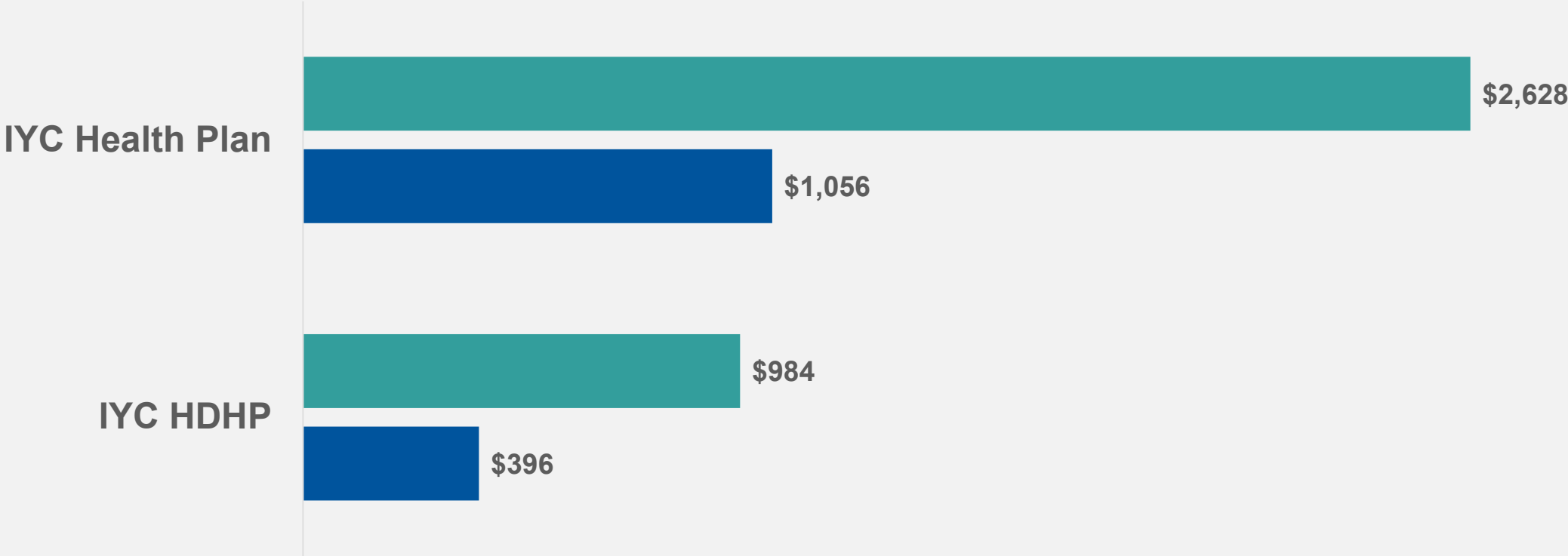
IYC HEALTH PLAN	IYC HDHP
\$88 individual \$219 family	\$33 individual \$82 family
IYC ACCESS PLAN	IYC ACCESS HDHP
\$266 individual \$664 family	\$211 individual \$527 family

- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete list of monthly contribution rates

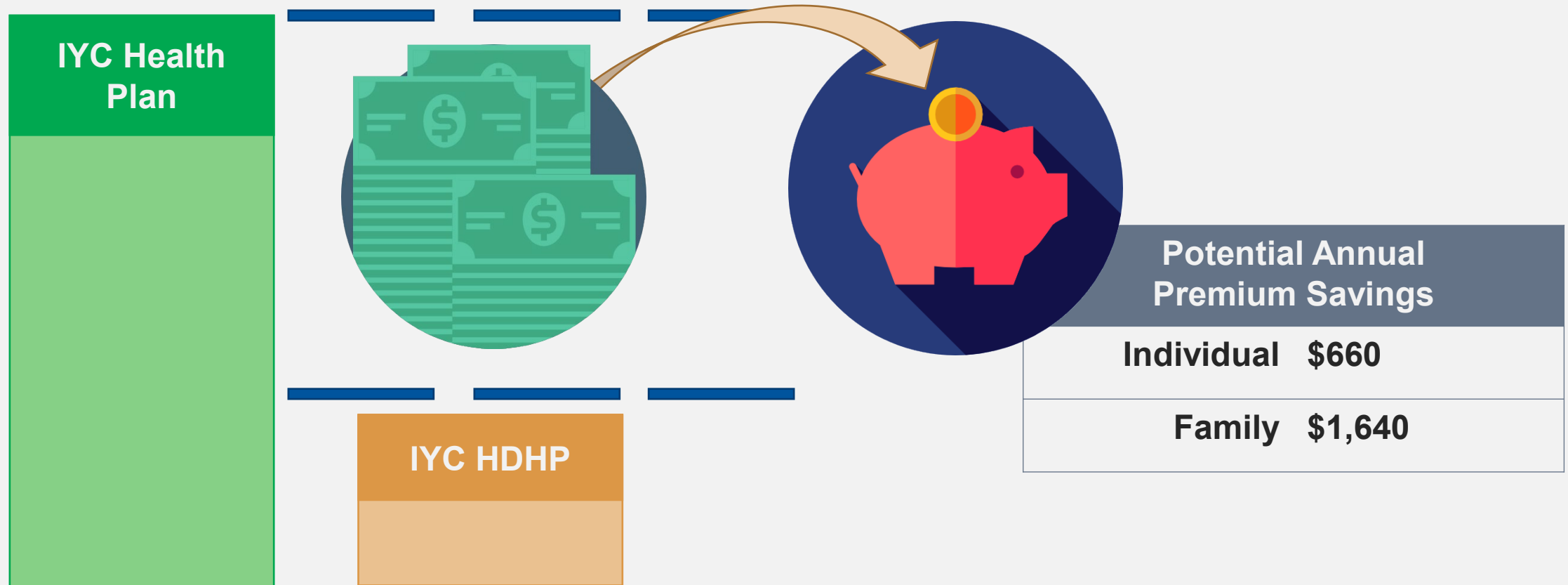
# Annual Premium

2019 Annual Premium Comparison

■ Family with Dental ■ Individual with Dental



# Premium Savings Example



# How Does the HDHP Work?

1

**Annual  
Deductible**

2

**Copay /  
Coinsurance**

3

**Out-of-Pocket Limit  
(OOPL)**

# How the HDHP Works

1

## Annual Deductible

*Pay with an HSA  
or other funds*

- **Deductible** – The amount members pay before the plan will pay for covered services
  - Members pay **all costs** until the annual deductible is met
  - Includes prescription drug costs
  - Applies to the OOPL
  - Pay with an HSA or other funds
  - *Exception:* Routine preventive care is covered 100% when using an in-network medical provider

# Annual Deductible Comparison

## 2019 Active State Employees and Retirees under Age 65

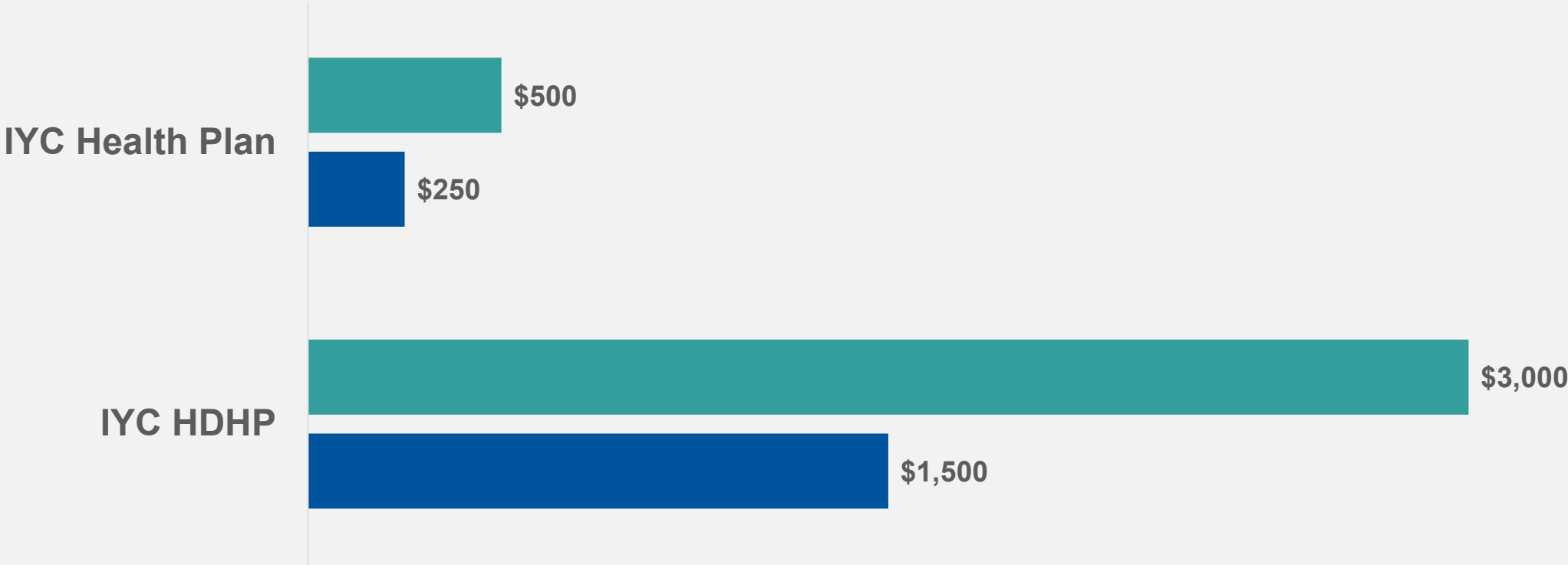
IYC HEALTH PLAN	IYC HDHP
\$250 individual \$500 family	\$1,500 individual \$3,000 family
IYC ACCESS PLAN	IYC ACCESS HDHP
\$250 individual \$500 family	\$1,500 individual \$3,000 family

- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete list of monthly contribution rates

# Annual Deductible

2019 Annual Deductible Comparison

■ Family with Dental ■ Individual with Dental

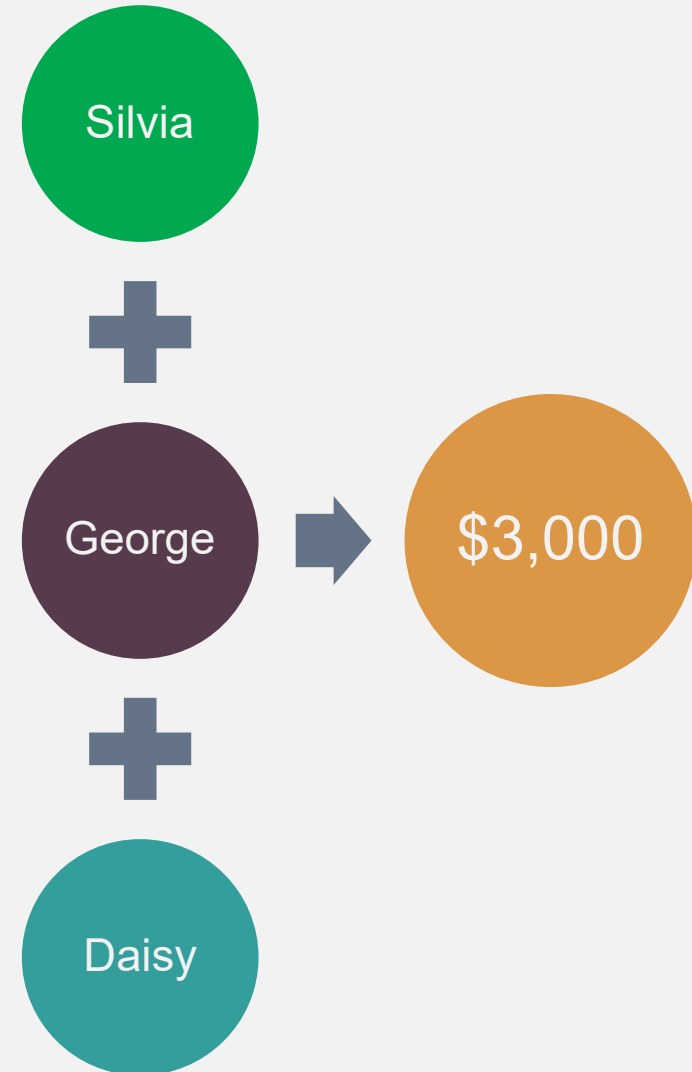




# Family Deductible

The full family deductible **must** be met before coverage begins

- The \$3,000 family deductible applies to all covered members
- There is no embedded individual deductible amount



# Annual Deductible

Below is **partial** list of expenses that count toward the annual IYC HDHP deductible

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Chiropractic office visits</li><li>• Emergency room visits</li><li>• Gynecological / obstetrician office visits</li><li>• Internist office visits</li><li>• Lab work</li><li>• Physical / occupational / speech therapy office visits</li></ul> | <ul style="list-style-type: none"><li>• Prescription drugs</li><li>• Primary care office visits</li><li>• Specialty office visits</li><li>• Transplants</li><li>• Urgent care visits</li><li>• Vision exams in an office visit setting</li><li>• X-rays</li></ul> |
|---|---|



- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete breakdown of costs by plan

# Covered Pre-Deductible Costs

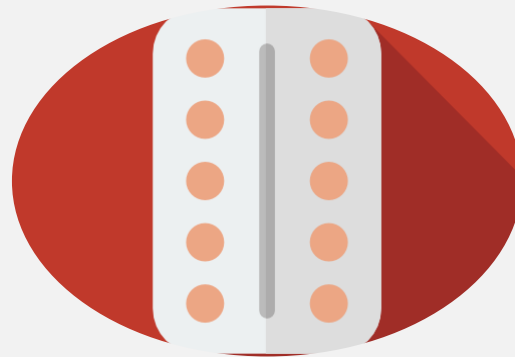
The plan will **not** pay medical or prescription costs until the deductible is met, except for:



Routine preventive services



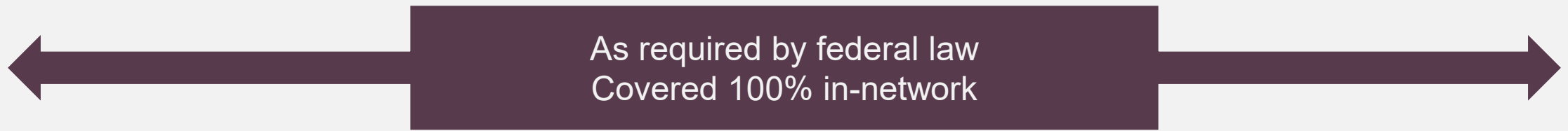
Preventive prescription drugs



Contraceptive prescription drugs



Certain additional preventive/maintenance drugs



# Routine Preventive Services

Below is **partial** list of preventive services that are covered before the deductible is met

Adults	Women
<ul style="list-style-type: none"><li>• Blood pressure screenings</li><li>• Cholesterol screenings</li><li>• Depression screenings</li><li>• Diet counseling</li><li>• HIV screenings</li><li>• Immunization vaccinations</li><li>• Tobacco use screenings</li></ul>	<ul style="list-style-type: none"><li>• Anemia screenings</li><li>• Breast cancer mammography screenings</li><li>• Contraception</li><li>• Cervical cancer screenings</li><li>• Osteoporosis screenings</li><li>• Urinary tract infection screenings</li><li>• Well-woman visits</li></ul>

- Visit **HealthCare.gov** for a complete list of federally required preventive services

# How the HDHP Works

2

## Copay/Coinsurance

*Member \$*

+

*Plan \$*

- **Copay** – Members pay a fixed dollar amount for certain health care services
- **Coinsurance** – Members pay a fixed percentage of costs (typically 10%) for certain health care services post-deductible
  - Plan pays remaining percentage / dollar amount
  - Amount and type of member share varies by type of service
  - Pay using an HSA or other funds

# How the HDHP Works

3

## Out-of-Pocket Limit

*Plan pays  
100%*

- **Out-of-Pocket Limit (OOPL)** – The most members will pay for covered services
  - Deductible and coinsurance payments accumulate towards the OOPL
  - Plan will pay 100% of covered services for the rest of the plan year
  - OOPL protects members in the event of a major medical event

# Annual Out-of-Pocket Limit

## 2019 Active State Employees and Retirees under Age 65

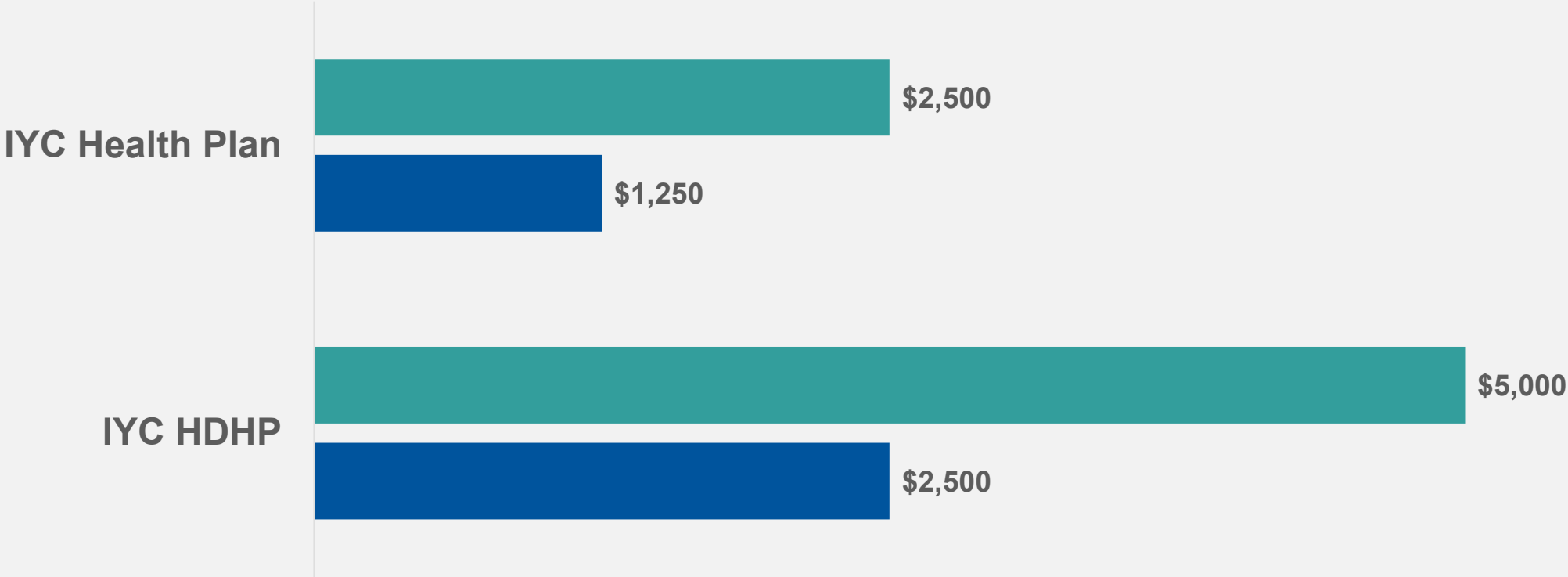
IYC HEALTH PLAN	IYC HDHP
\$1,250 individual \$2,500 family	\$2,500 individual \$5,000 family
IYC ACCESS PLAN	IYC ACCESS HDHP
\$1,250 individual \$2,500 family	\$2,500 individual \$5,000 family

- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete breakdown of costs by plan

# Annual Out-of-Pocket Limit

2019 Annual OOPPL Comparison

■ Family with Dental ■ Individual with Dental





# Primary Care Office Visit

*Pre-Deductible*

Member pays 100%

*Post-Deductible*

\$15 copay per visit in-network, up to OOP

- Additional services such as lab work, X-rays, etc., count toward the deductible and are subject to coinsurance
- Includes internist, chiropractor, pediatrician, and gynecologist visits
- Visit **It's Your Choice 2019** at [etf.wi.gov/IYC2019](http://etf.wi.gov/IYC2019) for a complete list of providers considered to be primary care

# Specialty Office Visit

## *Pre-Deductible*

Member pays 100%

## *Post-Deductible*

\$25 copay per visit in-network, up to OOPPL

- Additional services such as lab work, X-rays, etc., count toward the deductible and are subject to coinsurance
- Includes specialty providers, urgent care, and adult vision exams in an office visit setting

# Emergency Room Visits

## *Pre-Deductible*

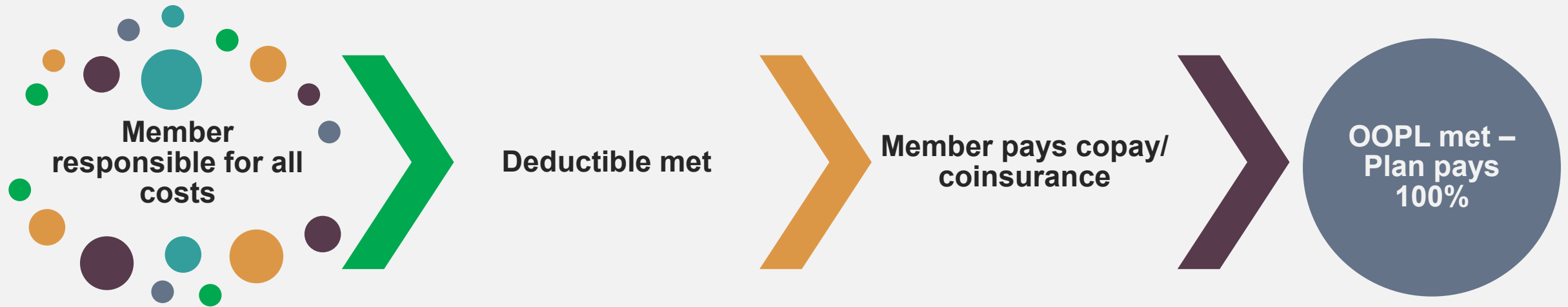
Member pays 100%

## *Post-Deductible*

\$75 copay per visit,  
up to OOPL

- Copay waived if admitted as inpatient directly from ER or for observation for 24+ hours
- Coinsurance may apply to other services beyond copay, up to OOPL

# HDHP Recap



# HDHP Recap



Lower annual premium



Higher annual deductible



Increased member responsibility



Paired with the HSA

# HDHP Pairable Accounts

## HDHP 101

# HSA Benefits



Triple tax savings



Account portability



HSA funds carry over year-to-year



Investment opportunities

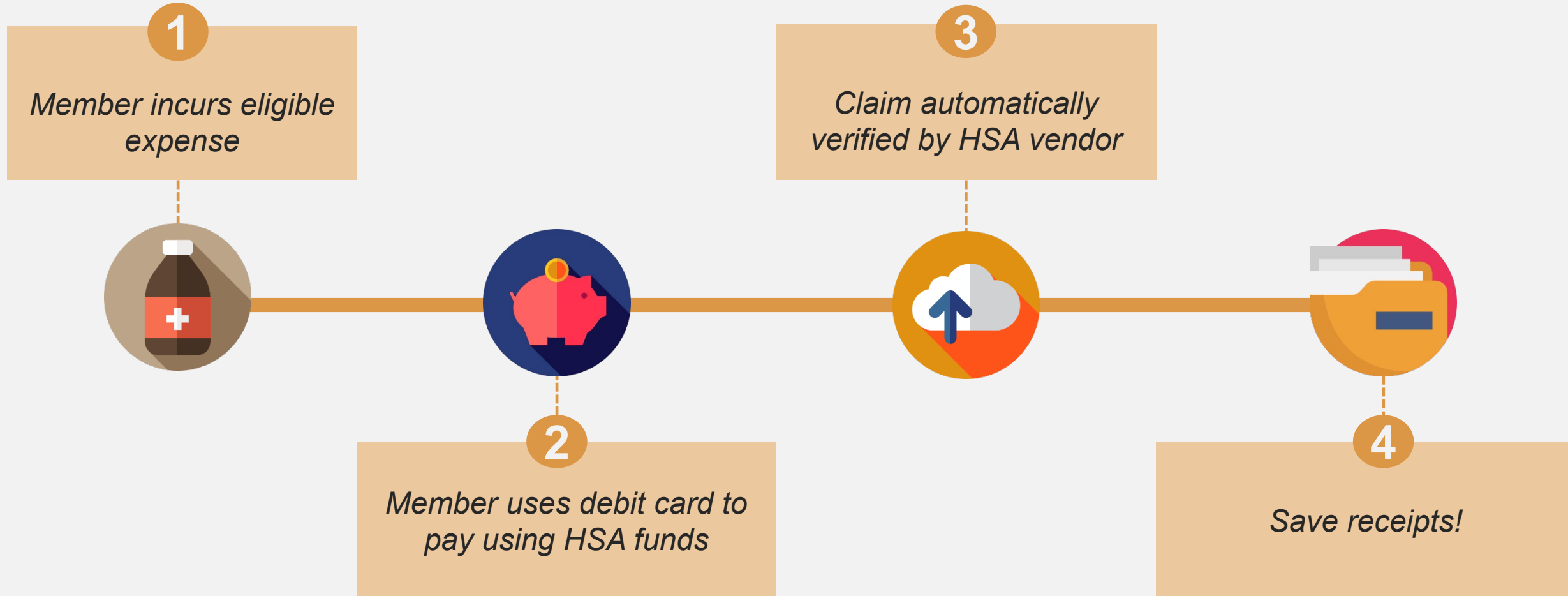
# Paying with the HSA

- Members can pay for eligible health care expenses with their HSA debit card or pay out of pocket
- Only pays for expenses incurred after HSA established
- Expenses can be incurred by member and eligible dependents

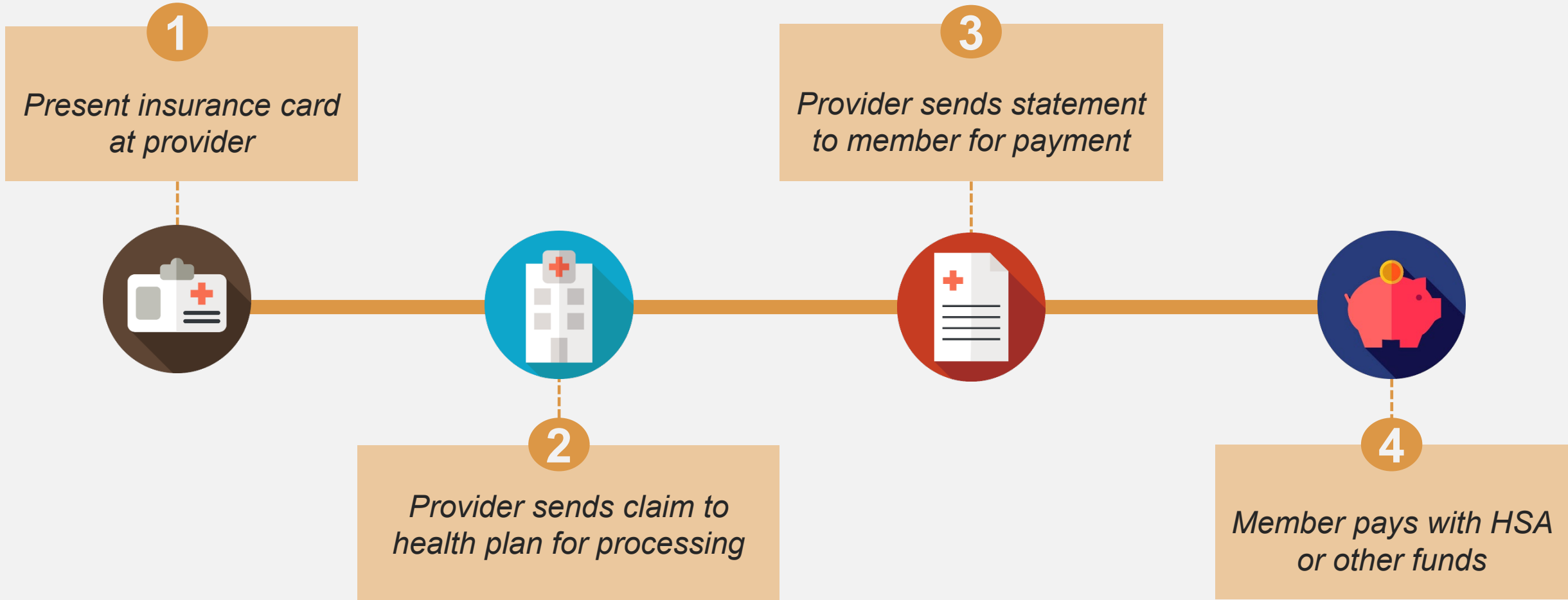




# Debit Card Payment Process



# Claims Payment Process



# What is an LPFSA?



Pre-tax benefit used to pay for eligible dental and vision expenses



Pays for eligible post-deductible medical expenses



Paired with an IYC HDHP



Paired with state-sponsored HSA

# Additional Training



HSA 101



LPFSA 101

*Webinar Modules Available*

# Resources

## HDHP 101

# Customer Service

- Members frequently have questions about their HDHP coverage, HSA and/or LPFSA accounts



*For HDHP questions, members should contact...*

- Their human resources/benefit office
- Their health plan
- ETF Member Services

*For HSA and LPFSA questions, members should contact...*

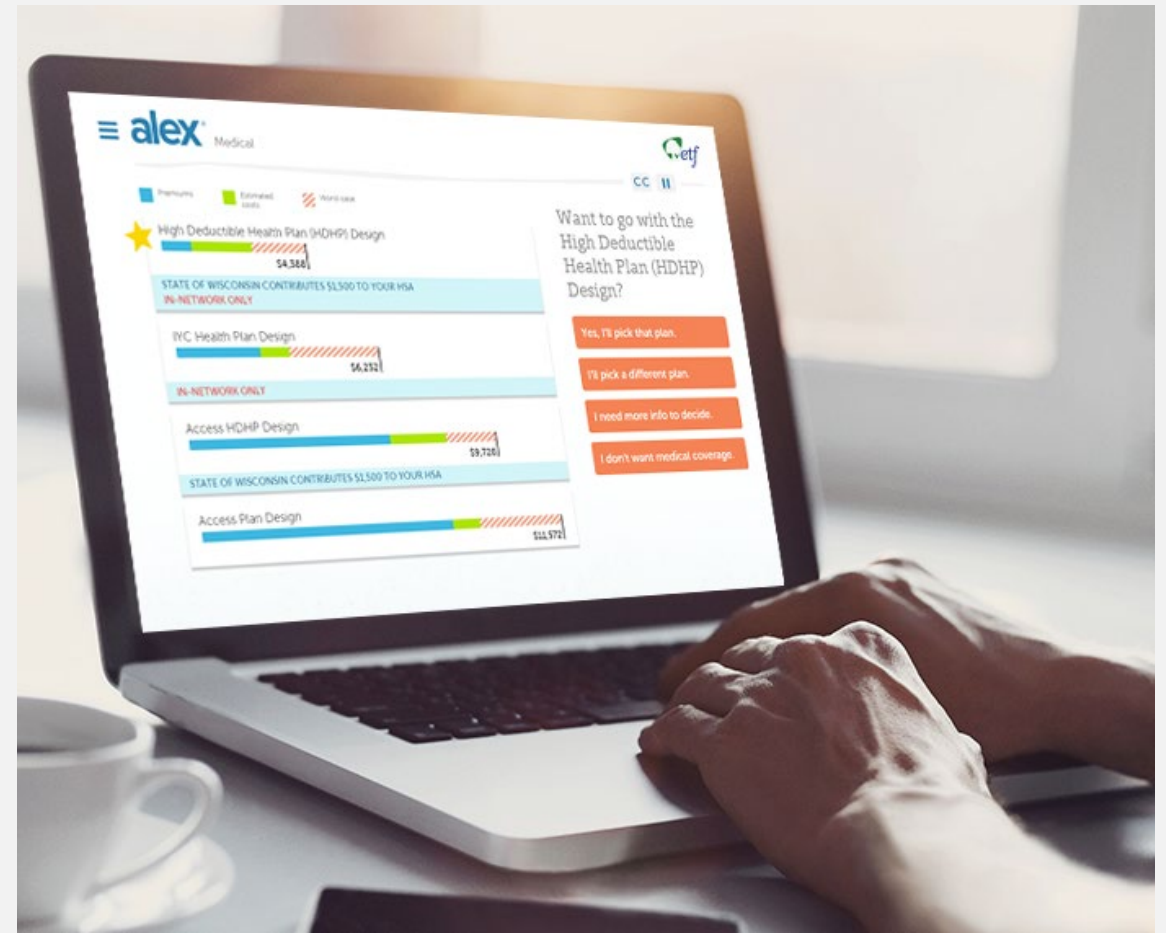
- TASC Customer Care
  - Phone – 844-786-3947 or 608-316-2408
  - Email – [1customercare@tasconline.com](mailto:1customercare@tasconline.com)

# Participant Tools: ALEX

## A Virtual Benefits Counselor

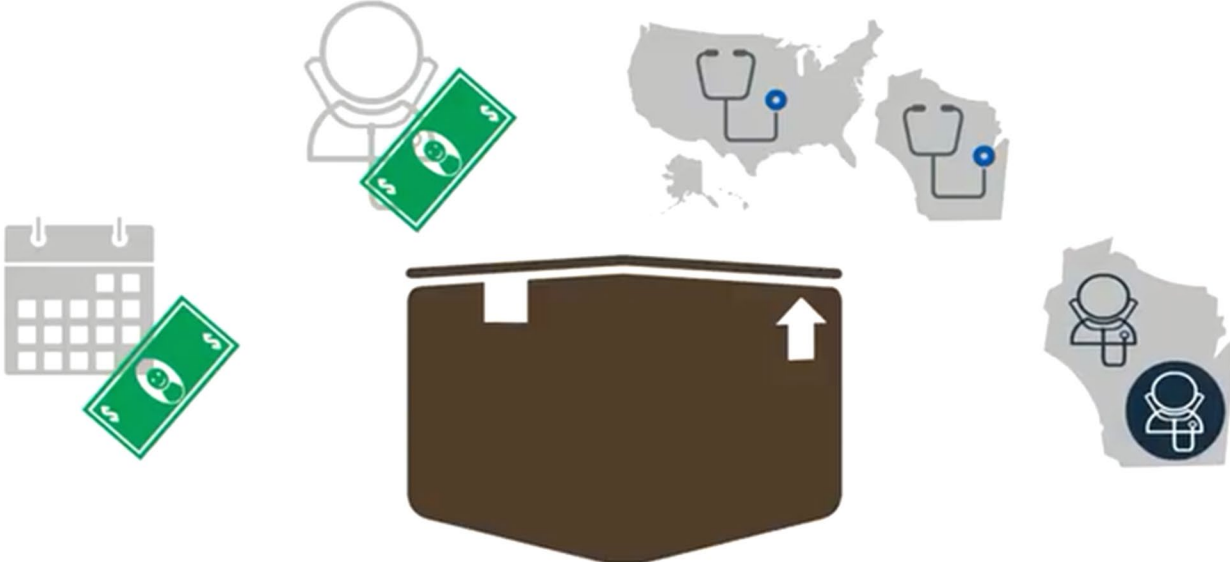
ALEX is an online tool that will help your employees select the benefit plans that best fit their needs.

ALEX will ask them a few questions about their health care needs, crunch some numbers and point out what makes the most sense. ALEX also offers opportunities to compare plans and provides lots of education.



# Participant Tools: Your Plan Design Option eLearning

**STEP 1** Choose a Plan Design



6 Minutes - 9/25/2017

- 4 case studies
- **Printable resources**
  - Case studies
  - Plan design overview chart
  - Take action checklist



# Participant Tools: Case Studies



## Dave

Age 27, Single, No Kids

Available Funds: \$\$\$

Health Care Use: \$\$\$



## Kristin

Mom with college-age daughter, Emma, who needs regular out-of-network services

Available Funds: \$\$\$

Health Care Use: \$\$\$



## Anthony

Husband to Tanya. Couple in their early 60s, working, no covered dependents

Available Funds: \$\$\$

Health Care Use: \$\$\$



## Lily

Married to Ted. Mom to Henry and Jacob.

Available Funds: \$\$\$

Health Care Use: \$\$\$

# Employer Assistance

- If a high-level question or issue arises, employers also have resources available to them



*For HDHP questions, employers should contact...*

- The health plan offering the HDHP coverage
- ETF Employer Services
- ETFSMBEmployerinsurance@etf.wi.gov

*For HSA and LPFSA questions, employers should contact...*

- TASC Account Managers
  - Email – [stateofwi@tasconline.com](mailto:stateofwi@tasconline.com)

# Resources

	ETF Website	TASC Landing Page
Annual It's Your Choice Open Enrollment information	✓	✗
HDHP premium rates	✓	✗
HSA contributions limits	✓	✓
Eligible expense information	✓	✓
Medical and pharmacy comparison charts	✓	✗
TASC Online Account login portal	✗	✓
HSA / ERA enrollment & welcome brochures	✓	✓
HSA / ERA participant guides	✗	✓
HSA / ERA forms and worksheets	✗	✓

Icons – Flaticon.com

# Training Modules

101

- HDHP
- HSA
- LPFSA

201

- Retirement
- Disqualifying Other Coverage

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# Thank you

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1-877-533-5020