

HSA and CDHP

Katy Pannell

BeWell Series 2020



THE UNIVERSITY OF
TOLEDO

AGENDA

- What is a CDHP?
- What is a HSA?
- Benefits of these plans



What is a CDHP?

CDHP = Consumer Driven Health Plan

- Higher deductible health plan
- Designed to encourage health care consumers to take a more active role in their health care decisions



What is a HSA?

HSA = Health Savings Account

- Pre-tax money for out of pocket medical expenses.
- Employer and Employee contributions.
- Carries over year to year.



BLUE PLAN

BLUE

KEY: DW=Deductible
Waived AD=After
Deductible

A CDHP is a high-deductible health plan in which you have greater control over your medical care, healthcare costs and expenses because you decide where to go to receive your services. Once you have met your annual out-of-pocket maximum, the plan pays the remainder of your annual medical and prescription drug costs.

	Tier 1	Tier 2	Out-of-Network
Deductible:	\$1,400 Single \$2,800 Single +1 \$2,800 Family	\$1,400 Single \$2,800 Single +1 \$2,800 Family	\$1,400 Single \$2,800 Single +1 \$2,800 Family
Out-of-Pocket Max:	\$2,200 Single \$4,400 Single +1 \$4,400 Family	\$2,200 Single \$4,400 Single +1 \$4,400 Family	\$2,200 Single \$4,400 Single +1 \$4,400 Family
Co-Insurance:	100% (AD)	90% (AD)	70% (AD)
Office Visit:	100% (AD)	90% (AD)	70% (AD)
Specialist Visit:	100% (AD)	90% (AD)	70% (AD)
Emergency Room - Facility:	100% (AD)	90% (AD)	90% (AD)
Emergency Room - Professional and Ancillary:	100% (AD)	90% (AD)	90% (AD)
Urgent Care:	100% (AD)	90% (AD)	70% (AD)
Preventive Services:	100% (DW)	100% (DW)	70% (DW)
Diagnostic Services:	100% (AD)	90% (AD)	70% (AD)
Accounts:	A Health Savings Account (HSA) with employer contributions is available with this plan to offset out-of-pocket medical expenses. UToledo contributes \$500/single, \$750/single +1 and \$1,000/family. UToledo also provides an opportunity for you to earn an additional \$300/single, \$450/single +1 and \$600/family through its wellness initiatives. The IRS HSA contribution limits for 2020 are \$3,550/single and \$7,100/family (for age 50+, an additional \$1,000 may be contributed).		
Network(s):	Paramount Employer Select (ProMedica) in Ohio, and First Health outside of northwest Ohio.		



THE UNIVERSITY OF
TOLEDO

HSA Plan Components



Health Savings Account

Option to reimburse from Health Savings Account for Deductible and Coinsurance or save funds for future medical expenses.

$$\$800 + \$500 = \$1300$$

Amount that needs to be satisfied before health coverage begins.

Preventive care not subject to deductible.

Deductible

\$1,400

Protects member from high costs.

Coinsurance similar to traditional plans.

Coinsurance

Out-of-pocket maximums are in place for added peace of mind.

OOP Maximum

\$2,800

Employee Only: HSA Example Year One

Your Expenses

\$0 – Physical

\$150 – Prescriptions

\$75 – Doctor's Visit

\$125 – Urgent Care

= \$350 Total Expenses



Deductible

\$1,400

Coinsurance

\$2,800

OOP Maximum

How Did it Work?

You Had:

- \$1,300 in HSA
- \$350 in expenses

You Paid:

- \$350 from HSA
- \$0 Out of Pocket
- \$950 Remains in HSA



Employee Only: HSA Example - Year Two

Your HSA Account

- \$950 Rollover
 - \$800 UToledo contribution
 - \$500 Employee Contribution
- = \$2,250 Balance

Your Expenses

- \$225 Prescriptions
 - \$0 Physical
 - \$275 Three Doctor's Visits
 - \$22,500 Hospital
- = \$23,000 Total Expenses



Deductible

\$1,400

Coinsurance

\$2,800

OOP Maximum

How Did it Work?

You Had:

- \$2,250 in HSA
- \$23,000 in expenses

You Paid:

- \$2,250 from HSA
- \$550 out of pocket



HSA BENEFITS

- Tax-free contributions – reduces taxable income
- Tax-free “withdrawals”
- Carry over from year-to-year
- Earns Interest
- Can be invested if balance is over \$2000
- Account is yours (even if no longer employed)
- Can be used for non-medical expenses (taxable)



THANK YOU!

