


**NOW SHOWING:
YOUR TICKET TO
UNDERSTANDING YOUR
HEALTH  INSURANCE**

FEATURING - BRANDI MCGLOTHIN

PAYROLL & EMPLOYEE BENEFITS

TOPICS

- Basic Insurance Terminology
- Low Deductible PPO Plan
- High Deductible/Wellness PPO Plan
- High Deductible/HSA Qualified Plan
- Prescription Plan
- Dental Plan
- Health Savings Accounts (HSA)
- Flexible Spending Accounts (FSA)
- Maximizing Your Health Benefit Dollars

BASIC INSURANCE TERMINOLOGY

- **Chronic Disease** - A disease that is long-lasting or recurrent; examples include diabetes and hypertension
- **Coinsurance**—The amount you must pay for medical care after you have met your deductible
- **Covered Expenses** - Medical services the plan will pay for (in whole or in part)
- **Deductible**—The amount you must pay each year before your plan begins paying
- **Diagnostic Visit** - A diagnostic visit occurs when there are signs and/or symptoms - an acute illness; typically, there is a rapid onset of illness and a short duration, such as with a sinus infection or the flu

BASIC INSURANCE TERMINOLOGY

- **Encircle Network** - A network for hospitals and other medical facilities; use of Encircle facilities decreases the employee's coinsurance from 30% to 20% (insurance pays 80% coinsurance for Encircle facilities)
- **Encore Network** - A network for physicians
- **Endorsed Provider** - A provider that has been "endorsed" by the American Health Data Institute (AHDII); use of endorsed providers decreases the employee's coinsurance from 30% to 20% (insurance pays 80% for Endorsed, in-network providers)
- **Exclusions** - Services the plan does not cover

BASIC INSURANCE TERMINOLOGY

- **Explanation of Benefits (EOB)** - A statement from your plan that tells you what a provider charged for services, what the plan pays, and what you must pay
- **Generic** - Drugs that are called by their chemical name rather than a brand name; these drugs are equal to the brand-name versions, but cost less
- **Inpatient Care** - Care you receive while staying overnight in the hospital
- **Network** — A group of physicians, hospitals, and other providers who participate in a particular managed care plan; your cost is lower when you get care from providers in the network (Encore/Encircle)

BASIC INSURANCE TERMINOLOGY

- **Out-of-Pocket Costs** - Money you pay toward the cost of healthcare services; deductibles, coinsurance, etc
- **Out-of-Pocket Maximum** - The most you will have to pay each year in deductibles and coinsurance; after that, the plan generally pays 100% of your covered expenses for the rest of the calendar year
- **Outpatient Care** - Care you receive without an overnight hospital stay
- **Plan Year** - A 12-month period usually beginning in January or July; you will have a chance to review and change your benefits prior to the start of each plan year during an "open enrollment" period (our plan currently begins on July 1)

BASIC INSURANCE TERMINOLOGY

- **Premium**—The amount you pay to belong to a health plan
- **Preventive Care** - Care designed to keep you from getting sick, such as immunizations and annual physicals; also referred to as “wellness” or “routine” care
- **Preventive Medication** - Medications taken by a person who has developed risk factors for a disease that has not yet become clinically apparent or to prevent the reoccurrence of a disease from which a person has recovered; our Pharmacy Benefit Manager (Medco) determines which drugs are considered preventive

BASIC INSURANCE TERMINOLOGY

- **Qualifying Event** - Life events that affect your benefits coverage, such as birth, adoption or death, marriage or divorce, child's custody change, or change in your work status; these must be reported within 30 days of the event
- **Summary Plan Description (SPD)** - A document that includes information about your benefits coverage, how your plans work, and administrative details (like how to file a claim, appeal, etc.)

LOW DEDUCTIBLE PPO PLAN

Annual Premium Amounts	Single/EE & Ch/Family \$2527/\$4801/\$6560
Deductibles	\$350 - Single/ \$875 - EE & Child, Family (per person and per EE & Child/Family)
Out-of Pocket Maximum (OOP) *Does Not Include Deductible **Includes Deductible	OOP is per person \$1725* - In Network/Endorsed Provider/Encircle Facility \$2600* - Combination of In Network/Endorsed/Non-Endorsed Providers/Encircle/Non-Encircle Facility \$3450* for Out of Network plus \$2000 per each Out of Network inpatient admission
<u>Not subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ Non -Endorsed Provider/ Non – Encircle Facility	<ul style="list-style-type: none"> • Wellness Benefits – Routine tests, immunizations and Office exams • Chronic Disease Physician Office visits • Quick Care Clinic ^ • Nurse Practitioners^^ • Diabetic, Asthma & Nutrition Training^ • Lab Charges^ (Contracted Labs) • Emergency Room for Illness/ Accident
<u>Subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ Non -Endorsed Provider/ Non – Encircle Facility 60% Out of Network Provider /Outpatient Non -Encircle Facility 50% Out of Network/Inpatient Non -Encircle Facility	<ul style="list-style-type: none"> • Diagnostic Office Visits/ Injections for Illness & Accident • Hospital Inpatient and Outpatient/ Surgery • Mental, Nervous and Substance Abuse • Diagnostic X-rays and Labs for Routine/ Illness/ Accidents (Non-Contracted Labs) • Ambulance <p>Contracted Labs: LabCorp (formerly PA Labs), Quest Diagnostic/LabCard and American Health Network</p> <p>^100% Covered ^^Network Not Applicable</p>

HIGH DEDUCTIBLE/WELLNESS PPO PLAN

Annual Premium Amounts	Single/EE & Ch/Family \$1008/\$1916/\$2618
Deductibles	\$1000 - Single/ \$2500 - EE & Child, Family (per person and per EE & Child/Family)
Out-of Pocket Maximum (OOP) *Does Not Include Deductible **Includes Deductible	OOP is per person \$2500* - In Network/Endorsed Provider/Encircle Facility \$3750* - Combination of In Network/Endorsed/Non-Endorsed Providers/Encircle/Non-Encircle Facility \$6000* for Out of Network plus \$2000 per each Out of Network inpatient admission
<u>Not subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ <u>Non</u> -Endorsed Provider/ <u>Non</u> – Encircle Facility	<ul style="list-style-type: none"> • Wellness Benefits – Routine tests, immunizations, and Office exams • Chronic Disease Physician Office visits • Quick Care Clinic ^ • Nurse Practitioners^^ • Diabetic, Asthma & Nutrition Training^ • Lab Charges^ (Contracted Labs) • Emergency Room for Illness/ Accident
<u>Subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ <u>Non</u> -Endorsed Provider/ <u>Non</u> – Encircle Facility 60% Out of Network Provider/Outpatient <u>Non</u> -Encircle Facility 50% Out of Network/Inpatient <u>Non</u> -Encircle Facility	<ul style="list-style-type: none"> • Diagnostic Office Visits/ Injections for Illness & Accident • Hospital Inpatient and Outpatient/ Surgery • Mental, Nervous and Substance Abuse • Diagnostic X-rays and Labs for Routine/ Illness/ Accidents (Non-Contracted Labs) • Ambulance <p>Contracted Labs: LabCorp (formerly PA Labs), Quest Diagnostic/LabCard and American Health Network</p> <p>^100% Covered ^^Network Not Applicable</p>

HIGH DEDUCTIBLE/HSA QUALIFIED PLAN

Annual Premium Amounts	Single/EE & Ch/Family \$442/\$840/\$1147
Deductibles	\$1725 - Single/ \$4325 - EE & Child, Family (per person or per EE & Child/Family)
Out-of Pocket Maximum (OOP) *Does Not Include Deductible **Includes Deductible	Single Coverage \$2875** - In Network/Endorsed Provider/Encircle Facility \$3450** - Combination of In Network/Endorsed/Non-Endorsed Providers/Encircle/Non-Encircle Facility \$4025** for Out of Network plus \$2000 per each Out of Network inpatient admission EE & Child or Family Coverage \$5750** - In Network/Endorsed Provider/Encircle Facility \$6900** - Combination of In Network/Endorsed/Non-Endorsed Providers/Encircle/Non-Encircle Facility \$8050** for Out of Network plus \$2000 per each Out of Network inpatient admission
<u>Not subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ Non -Endorsed Provider/ Non – Encircle Facility	<ul style="list-style-type: none"> • Wellness Benefits – Routine Tests, Immunizations and Office Exams • Routine/Wellness Lab Charges^ (Contracted Labs)
<u>Subject to deductible</u> 80% In Network/Endorsed Provider/Encircle Facility 70% In Network/ Non -Endorsed Provider/ Non – Encircle Facility 60% Out of Network Provider/Outpatient Non -Encircle Facility 50% Out of Network/Inpatient Non -Encircle Facility Contracted Labs: LabCorp (formerly PA Labs), Quest Diagnostic/LabCard and American Health Network ^100% Covered ^^Network Not Applicable	<ul style="list-style-type: none"> • Chronic Disease Physician Office visits • Quick Care Clinic ^ • Nurse Practitioners^^ • Diabetic, Asthma & Nutrition Training^ • Diagnostic Office Visits/ Injections for Illness & Accident • Hospital Inpatient and Outpatient/ Surgery • Mental, Nervous and Substance Abuse • Diagnostic X-rays and Labs for Routine/ Illness/ Accidents (Non-Contracted Labs) • Emergency Room for Illness/ Accident • Diagnostic Lab Charges ^(Contracted Labs) • Ambulance

PRESCRIPTION PLAN

Prescription Coverage	Low Deductible PPO		High Deductible Wellness		High Deductible HSA Plan	
Deductible	None		None		Included in Medical deductible All drugs are subject to deductible except preventive medication	
Maximum Out of Pocket Expense	\$1725 per person per year for mail order only; retail costs do not apply to out-of-pocket maximums		\$1725 per person per year for mail order only; retail costs do not apply to out-of-pocket maximums		Included in Medical out of pocket maximum <u>Effective January 1, 2012:</u> \$5,950 (including deductible) for retail prescription drug expenditures \$11,900 (including deductible) for retail prescription drug expenditures	
Covered: Retail Non-Maintenance Drugs Maintenance Drugs After 3 rd refill at retail pharmacy (RRA Penalty)	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>
	80%	70%	80%	70%	80%	70%
	80%	70%	80%	70%	80%	70%
Covered: Mail Order Maintenance Drugs only	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>	<u>Generic Drugs</u>	<u>Name Brand Drugs</u>
	80%	70%	80%	70%	80%	70%

Retail Refill Allowance (RRA) Penalties do not apply toward the out of pocket maximums. The RRA Penalty will not be effective for the High Deductible HSA Plan until **January 1, 2012** at which time continued use of retail pharmacies could significantly increase your out-of-pocket maximum.

DENTAL PLAN

DENTAL Coverage	Low Deductible PPO	High Deductible Wellness	High Deductible HSA Plan
Deductible	\$50 Single/ \$100 EE & Child/ \$100 Family	\$50 Single/ \$100 EE & Child/ \$100 Family	\$50 Single/ \$100 EE & Child/ \$100 Family
Maximum Benefits	\$1500 per person per year; eliminated for children under age 18	\$1500 per person per year; eliminated for children under age 18	\$1500 per person per year; eliminated for children under age 18
Coverage: Orthodontia	Covers 100% of first preventive visit to \$50 per person per year, balance of charge at 80% (after deductible is met)	Covers 100% of first preventive visit to \$50 per person per year, balance of charge at 80% (after deductible is met)	Covers 100% of first preventive visit to \$50 per person per year, balance of charge at 80% (after deductible is met)
	80% usual and customary to maximum benefit	80% usual and customary to maximum benefit	80% usual and customary to maximum benefit
	\$500 per person per year (separate from Dental Benefit maximum)	\$500 per person per year (separate from Benefit Dental maximum)	\$500 per person per year (separate from Dental Benefit maximum)

FLEXIBLE SPENDING ACCOUNTS (FSA)

- Two accounts
 - Dependent care FSA plan
 - Healthcare FSA plan
- Must sign up during every Open Enrollment period and make contribution "election" for the next plan year
- Maximum = \$5,000 per account
- Amounts contributed are pre-tax, which reduces your taxable income
- "Use it or lose it" - you must use all the funds in your account by September 15th (plan year ends June 30th)
- Reimbursement claims must be filed by Dec. 15th
- Regulated by IRS - keep your receipts!
- Prescriptions are now required for over-the-counter medications

HEALTH SAVINGS ACCOUNTS (HSA)

- Pre-tax savings account
 - Features determined by Federal law (IRS)
 - “Triple tax” advantage
 - Must use funds to pay for Qualified Medical Expenses (QME’s) until age 65 or disabled; otherwise, will become taxable income and be subject to 20% tax penalty
- “Similar” to FSA, but several critical differences
 - Only available when paired with a “qualified” HDHP
 - Maximum of \$3,050 for single/\$6150 for family (2011)
 - May change elections monthly
 - Carry-over year-to-year (no “use it or lose it”)
 - Keep excess funds for future use
 - Inheritable
 - *HSA Road Rules* is required reading!

NEW THIS YEAR!!!

EMPLOYER HSA CONTRIBUTIONS

HSA Qualified Plan	Bi-Weekly Contribution 26-Pays	Bi-Weekly Contribution 18-Pays	Monthly Contribution 12-Pays	Monthly Contribution 10-Pays	Maximum 2012 CY University Contribution
Individual Coverage Jan. 1 – June 30	\$29.46	\$38.30 (10 Pays)	\$63.83	\$76.60	\$574.50
Individual Coverage July 1 – Dec. 31	\$14.73	\$23.93 (8 Pays)	\$31.92	\$38.30	
Employee & Child(ren)/Family Coverage Jan. 1 – June 30	\$73.84	\$96.00 (10 Pays)	\$160	\$192	\$1440
Employee & Child(ren)/Family Coverage July 1 – Dec. 31	\$36.92	\$60.00 (8 Pays)	\$80	\$96	

MAXIMIZING YOUR HEALTH BENEFIT DOLLARS

- Use the mail-order option for your maintenance medications
- Use generic instead of brand when possible
 - A 30-day supply of Ambien (brand name sleeping aid) costs, on average, \$156.86 more than the generic
- Choose a doctor that's in the network; if your doctor isn't in the network, nominate them
- Go to the Quick Clinic for minor ailments - the visit is 100% covered for members of the Low Deductible and High Deductible Wellness PPO Plans
- Request to see a Nurse Practitioner when ill; visit is not subject to the deductible for members of the Low Deductible and High Deductible Wellness PPO Plans

MAXIMIZING YOUR HEALTH BENEFIT DOLLARS

- Make sure that you follow the plan's preauthorization procedures for certain services
- Take advantage of the plan's preventive healthcare benefits
- If you need lab work done, make sure you use labs that the plan is contracted with (LabCorp, American Health Network & Quest Diagnostics/LabOne)
- Review your plan's SPD
- Enroll in a tax-advantaged account (Flexible Spending Account or Health Savings Account)
- Speak up if you disagree with how a claim is processed!

PRESENTATION SOURCES

- *Navigating Your Health Benefits for Dummies*, 2nd Edition, by Wendy A. Richards, MD, MBA, FAAP & Tracey A. Baker, CFP
- www.dol.gov
- www.insure.com
- The Life and Health Insurance Foundation for Education
- *Benefits and Compensation Glossary*, 11th Edition, Edited by Judith A. Sankey, CEBS

New Faculty Orientation was brought to you by:

Betty Ballard-Hill - PEB Information Assistant

Vicki Collard - Office Coordinator

Tulie Comb - Payroll Representative

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Pat Fife - Payroll Representative

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Susan Girton - Senior Benefits Representative

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Terri Heston - Senior Payroll Representative

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THE END

