

# A CONSUMER-DRIVEN HEALTH PLAN

## BGSU will offer two medical plan options

- **Plan A**, the traditional PPO, has more predictable costs but you may pay more overall. There are higher contributions that come out of your paycheck for coverage, no matter if you use the benefits or not. But, with a lower deductible, Plan A begins paying part of the expenses sooner.
- **Plan B** Consumer-Driven Health Plan gives you the chance to lower your costs by making informed decisions about your health care. It balances lower payroll contributions with a higher deductible. You and BGSU contribute to a Health Savings Account (HSA) to pay for medical, dental, and vision expenses. You can also take advantage of preventive care that is paid 100% through the Plan, and choose in-network providers, generic prescription drugs, and other lower-cost options to stretch your dollars. This helps you become a better consumer of your health care dollars.

## CONSUMER-DRIVEN PLAN FEATURES

*With a Consumer-Driven Plan, prescription drugs are treated like any other medical expense:*

- **Affordable Care Act-qualified preventive drugs are covered at 100%.**
- **When you fill a prescription, you pay the full cost until you meet the deductible.**
- **Once you meet the deductible, you pay 10% (in-net work), up to the out-of-pocket maximum.**
- **Once you meet the out-of-pocket maximum, the Plan pays 100% of in-network expenses for the remainder of the year.**

## A closer look at the Plan:

Plan B	Definition	Single	All other coverage levels
Preventive Services	In-network services listed as preventive under the Plan in accordance with the Affordable Care Act.	100% paid	100% paid
Deductible	You pay the full cost of medical and prescription expenses until this is met	\$2,000	\$4,000
Co-insurance	Once you reach the deductible, you pay this percentage of in-network expenses until you reach the out-of-pocket maximum	10%	10%
Out-of-Pocket Maximum	Once you pay the deductible and co-insurance, the Plan pays 100% of all in-network expenses for the remainder of the year.	\$4,000	\$6,750 Single \$8,000 Family maximum

HSA	Contributions from BGSU	Single	All other coverage levels
	Annual contribution	\$500	\$1,000

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## HEALTH SAVINGS ACCOUNT (HSA) FEATURES

### BGSU will be making contributions to your HSA.

- The annual contribution by BGSU to your HSA will be \$500 for those enrolled in single coverage and \$1,000 for employee plus any number of dependents (spouse and children). The employer contribution will be split into two deposits made the first week of January and the first week of July. To be eligible for the deposits, you must be in Plan B effective on January 1 and July 1. (Deposits are not prorated between deposit dates.)
- You decide if you want to contribute your own money to the HSA as well, and select during Open Enrollment the amount you want deducted each paycheck. You don't pay taxes on your contributions.
- You choose when to use your HSA to pay for health expenses – or when to save it.
- The money remaining in your HSA rolls over each year without limit. This helps build savings for future expenses, and even to pay for insurance during retirement.
- All of the money in your HSA is yours, even if you change jobs or retire.

## Health Savings Account 101

An HSA is a personal savings account that works with your Consumer-Driven Health Plan. You can use your HSA to pay for qualified health care expenses tax-free. Your HSA will be administered by PNC Bank, a leader in the industry.

- 1st** Verify you are eligible for a Health Savings Account (per IRS regulations)
  - You are not claimed as a dependent on another's tax return, and
  - You do not have access to dollars in a flexible spending account that can pay for your medical expenses before you reach the deductible (including a spouse's FSA).
  - You are not 65 years of age or older
- 2nd** Elect how much to contribute to your HSA when you complete your online enrollment.
- 3rd** PNC will begin the setup of your account and send you a welcome kit with instructions to finalize your account setup, including your VISA debit card.
- 4th** BGSU will contribute to your account, half in January and half in July. The amount you deposit will be tax-free and directed each pay into your account.
- 5th** Remember to complete your portion of the PNC account setup. If you do not, no deposits can be made into your account.

## FREQUENTLY ASKED QUESTIONS

### Plan B – Consumer Driven Plan with HSA

#### How does Plan B give me more control over my money?

You pay less in contributions, leaving more money in your paycheck.

- Keep in mind that although you have to meet a higher deductible before co-insurance begins, you can use the money in your HSA to pay for the costs of services.
- When you make wise choices, you make your health care dollars go farther. Your HSA gives you a tax-free way to pay for qualified expenses or save for the future.
- Your HSA gives you the responsibility for choosing health care services and spending wisely. But when you do, what you save is yours to keep.

#### Where will my money be held for my HSA?

BGSU has carefully selected and agreed to partner with PNC Bank as our administrator.

#### What expenses can I pay for with my HSA?

In general, you can use your HSA to pay for medical, dental, and vision expenses such as doctor's visits, outpatient care, inpatient stays, and prescription drugs. For a detailed list of qualified expenses, see the IRS official guidelines available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>.

You can use the funds at any time to pay for qualified expenses for yourself or your spouse and your children. If you use funds for non-qualified expenses, you will pay income tax plus a 20% penalty. While it's unlikely you'll be audited, be sure to use the funds wisely and keep receipts and records of your payments for documentation.

#### What happens if I have extensive medical needs during the year?

The Plan features an out-of-pocket maximum. Once you reach the out of pocket maximum, the Plan pays 100% of your in-network expenses for the remainder of the year.

#### May I open an HSA if I do not enroll in Plan B?

No. The IRS requires that you be enrolled in a Consumer-Driven Health Plan to open an HSA.

#### Can I use my HSA to pay for medical expenses for my dependents if they are not on my medical plan?

Yes, so long as you claim your children as dependents on your tax return.

#### How do I use my account to pay for my expenses?

- Use your VISA debit card and funds will be automatically deducted from your account.
- Download the PNC mobile app to pay or to reimburse yourself.
- Pay for expenses out of pocket and reimburse yourself from your PNC online account.

#### Can I contribute to a health care Flexible Spending Account (FSA) if I have an HSA?

No, you cannot. You can, however, contribute to a Dependent Care Flexible Spending Account if you choose. Please read that information carefully.

## So, why consider the HSA?

**Tax-Savings** – The money contributed to your account is not taxed. Plus, money taken out to use for qualified expenses is not taxed.

**Ownership** – You keep your HSA even if you change jobs or health plans, or retire. And what you don't spend rolls over, every year, with no limit. There's no 'use it or lose it' penalty.

**Long-Term Savings** – If you plan carefully and make wise decisions, your savings can grow over time – helping you build a safety net for future health care costs. You can even invest the money in your HSA in a variety of funds (e.g., Roth IRA, money market) once your balance reaches \$1,000.