

**BCBS HIGH DEDUCTIBLE HEALTH PLAN (HDHP)
WITH HEALTH SAVING ACCOUNT (HSA)
FREQUENTLY ASKED QUESTIONS**

Q. What is the HDHP?

A. The High Deductible Health Plan (HDHP) is a health care plan that gives you more control and responsibility over how you spend your health care dollars. Under the HDHP, your monthly employee medical plan contributions are lower, and your annual deductibles are higher than with the other Macomb medical plans. However, if eligible you can make pre-tax contributions to a Health Savings Account (HSA) to help you pay for your costs before the deductible and other out-of-pocket costs. Your HSA is yours to keep – even if your employment at Macomb ends or you retire.

Q. Do I pay for the full amount of the office visit when I go to the doctor?

A. If you see a BCBS in-network physician, you are responsible to pay the discounted amount BCBS has contracted to pay your doctor, until your deductible is met. You can use your HSA for this expense. The doctor's office should submit a claim with their charges to BCBS. Once the claim is processed, you will receive an explanation of benefits (EOB) showing the amount you are responsible for. Some doctors may require that you pay the full amount or a portion of the bill upfront, but most will simply bill BCBS and then bill you for the balance once the claim has been processed. Once the deductible is met, your coverage is at 100%.

Q. Do I pay the full amount for prescription drugs?

A. Until you meet your medical deductible, you will pay the full cost of prescription drugs.

Q. What happens if I have a hospital stay or a catastrophic illness? Will the HDHP cover my medical expenses?

A. Yes. If you have a catastrophic illness, the medical annual out-of-pocket maximum protects you financially by covering 100% of the costs once your out-of-pocket maximum has been reached for medical. Single \$2,000 and Family \$4,000.

Q. How do I pay for services under an HDHP?

A. Since you need to meet a deductible before benefits begin (except for preventive care), your provider should file your claim before you make any payments. Then, when you receive your explanation of benefits (EOB) from BCBS, you will know the exact amount owed and can pay your provider using funds in your HSA (up to the current balance) or by paying out of pocket. Some doctors may require that you pay the full amount or a portion of the bill upfront, if your provider asks for full payment, point out that you are in a HDHP and should not be required to pay the full cost of service up front.

Q. Is there a separate deductible for each covered dependent?

A. No. Your deductible is based on the coverage level you select. The covered medical expenses for you and your covered dependents apply toward the deductible. It can be met by one family member or a combination of family members; however, there are no benefits until expenses equaling the deductible amount have been incurred.

The HDHP has medical deductibles of \$2,000 and \$4,000, all medical and prescription expenses are charged at the discounted amount until your deductible is met.

Q. Do *in-network* deductibles and out-of-pocket maximums count toward *out-of-network* deductibles and out-of-pocket maximum amounts and vice versa?

A. No, the deductible amounts do not cross apply.

Q. What do I say if my provider's office asks what my copay is?

A. With the HDHP, you will not have a co-pay for your care. If your provider's office asks, tell them you do not have copay, you have coinsurance. For eligible preventive services, your care is covered at 100%. For non-preventive care, you will pay for the cost of your care based on the discounted cost (allowable charge) after your provider has submitted a claim through BCBS.

Q. Will I have an insurance ID card to present to my provider?

A. Yes. You will receive a new ID card in the mail if you enroll in the HDHP. If you remain in with the same plan provider, you will continue to use your current card or order new cards if you need additional copies.

Q. What happens if my provider is out of network?

A. If your provider is not a BCBS network doctor they would be considered an out-of-network provider and, most likely, would not have agreed to provide any discounts for their service. Here is an overview of what would happen in this scenario:

If there is enough money in your HSA, you can choose to deduct the full amount of the provider's charge that is submitted to BCBS as a claim. If you do not have sufficient funds in your HSA, or you choose not to use your HSA, you will owe your provider whatever he/she charges for the services you receive.

After you have reached your annual medical deductible (\$4,000 individual and \$8,000 family), the plan will pay 100% of the allowed cost for medical out-of-network services.

Q. What is the Health Savings Account (HSA)?

A. The HSA is a bank account that you own and use to pay current and future eligible health care expenses. Key features include:

- The HSA is a tax-savings vehicle that lets you set aside tax-free money to pay for eligible health care expenses – now and for the future. You decide which expenses to pay from your HSA.
- Your balance rolls over year to year. There is no “use it or lose it” rule like in an FSA. If you leave Macomb or retire, you can take the money with you; you own the account.

Q. Who qualifies for an HSA?

A. You may open and contribute to an HSA if you:

- Enroll in the HDHP
- Have no other health insurance
- Are not claimed as a dependent on someone else's tax return
- Are not enrolled in Medicare

Q. How much money can I contribute to my HSA each year?

A. For 2020, the maximum contribution for individual coverage is \$3,550 and the maximum contribution for family coverage is \$7,100. HSA account holders over the age of 55 can make an additional "catch up" contribution of \$1,000 per year. These limits are set by the IRS and are the same regardless of the source of the contribution.

Q. What happens to the money in my HSA if I change health plans, leave my job, or retire?

A. You own the HSA, so the monies are yours to keep. If you retire and are insured by Medicare, change to a non-HSA-qualified plan, or go to another employer that doesn't offer a qualified plan, you can still use your HSA to pay for out-of-pocket qualified medical expenses. However, you won't be able to continue to make contributions to your HSA.

Q. Can I use the money out of my HSA any time I want?

A. Yes. You can take money out anytime as long as it's used for qualified medical, and not cosmetic dental and vision expenses.

Q. If my spouse is on Medicare, can I contribute to an HSA?

A. Yes. As long as you are not enrolled in Medicare yourself and are enrolled in the High Deductible Health Plan, you can contribute to your HSA.

Important Definitions

Premium: The premium is the monthly cost of your insurance. For calendar year 2020 the Board has approved the Hard Cap.

Deductible: A set amount of money that you may be responsible for each year for medical services and prescription coverage. Once you have paid the yearly deductible in full, you are covered for those services for the rest of the year. Deductibles can be met by one family member or a combination of family members; however, there are no benefits until expenses equaling the deductible amount have been incurred.

Copayment: In the case of HDHP, your copayment is a fixed amount that you pay for your prescriptions after your medical has been met. You will continue to pay your copayment until the \$1,000 single or \$2,000 family cost sharing is reached.