

## **Frequently Asked Questions:**

### **Q - What is an Out-of-Pocket Maximum?**

**A** – The out-of-pocket maximum is defined as the amount of money an employee pays toward health care out of their pocket before the benefit becomes 100% paid by SPS. This limit doesn't include your monthly premium (deduction from pay check). When you pay for copayments, and coinsurance, prescriptions, these all count toward the out of pocket spending. It doesn't include anything you spend for services your plan *doesn't cover*.

Example: HMO 80/20 Family deductible is \$1,000 annually( \$500 each person or a total of \$1,000 if more than 2 people on the plan), the out-of-pocket limit is \$9,000 and someone in the family needs surgery.

You pay the first **\$500** of covered medical expenses (your deductible).

After discounts, the surgery costs \$55,000 and the coverage calls for the employee to pay 20% coinsurance after the deductible.  $\$55,000 \times 20\% = \mathbf{\$11,000}$

So your total costs would be **\$11,500**. That's \$500 (your deductible for this person) plus \$11,000 (coinsurance).

But your out-of-pocket maximum is **\$4,500**(Again each person). So your costs would be \$4,500 and **Suffolk Public Schools would pay \$7,000 (\$11,500-4,500) plus all covered costs for any covered medical care this person receives for the rest of the calendar plan year.**

### **Q – What is a deductible?**

**A** – The deductible is the amount of money an employee would pay **BEFORE** the health benefit begins to cover **medical expenses**. Remember that ALL preventative care is covered at 100% and not subject to the deductible.

**Example #1:** HMO 80/20 has a deductible of \$500 employee only and \$1,000 for employee +1(\$500 each) or family (\$500 each person or no more than \$1,000).

At the beginning of the calendar year, all doctor sick visits (in network discount) paid by the employee count towards the deductible.

**Example #2:** For the High Deductible Health Plan (HDHP) -If you purchase a prescription before you have met the deductible, you will pay in network discount cost for the prescription (not the co-pay) until you reach the deductible.

**Once the deductible** is met on the HDHP plan, the employee then pays the \$20/\$40 co-pays **and** co-insurance of 20% (in network discount) of bill for most services.

**Q – How is Flexible Medical different than this new Health Savings Account?**

**A –**The flexible medical account is only available for the HMO 80/20, HMO 90/10, and the Key Care PPO plans. It is a medical savings that has a maximum contribution by employees of **\$2,600 in 2017**.

Once the employee has made their 1<sup>st</sup> contribution, the entire expected contribution is loaded for the employee to use.

At the end of the calendar year, the **employee is only allowed to have a balance of \$500** in the account to roll into the next year. *Any additional amount is lost to the employee.*

### Versus

#### Health Savings Accounts:

- Belongs to the employee, regardless of employer
- Is only available for the High Deductible Health Plan
- The employee and the employer can contribute tax free to the account
- The maximum contribution limits per year for 2017 is:
  - **\$6,750** family
  - **\$3,400** employee only
  - There is a catch up additional contribution for those *employees age 55 or older of an additional \$1,000 per year.*
- The total balance in the account up to the limits rolls year to year
- **Health Savings Accounts are used to pay for medical bills that are not covered either as part of the deductible annually or after the deductible is met.**

- *HSA distributions are tax-free if they are used to pay for qualified medical expenses such as:*
  - *Qualified long-term care services and long-term care insurance*
  - *Continuation of coverage required by Federal law (i.e., COBRA)*
  - *Health insurance for the unemployed*
  - *Medicare expenses (but not Medigap)*
  - *Retiree health expenses for individuals age 65 and over*
  - *Distributions made for any other purpose are subject to income tax and a 20% penalty. The 20% penalty is waived in the case of death or disability. The 20% penalty is also waived for distributions made by individuals age 65 and over.*

**Q-Health Savings Accounts –What happens if I should die?**

**A-**Upon death, HSA ownership may transfer to the spouse on a tax-free basis, or to another named beneficiary as estate income.

**Q- Are the rates quoted in Power Point and online 12 month rates?**

**A-**Yes, if you choose 12 month pay, then your deduction must be taken on a 12 month basis. If you choose 10 month pay, then your deduction must be taken on a 10 month basis. Below are the 12 month and 10 month rates for 2018:

**10 Month Basis (Must choose to be paid over 10 months)**

<b><u>Monthly Rates</u></b>	<b><u>HDHP</u></b>	<b><u>HMO 80/20</u></b>	<b><u>HMO 90/10</u></b>	<b><u>PPO</u></b>
Employee only	0.00	69.60	154.80	213.60
Employee +1	209.60	389.28	557.28	774.48
Family	375.88	641.48	888.68	1194.68
Family (Dual)	187.94	320.74	444.34	597.34

**12 Month Basis (All who choose to be paid over 12 months)**

<b><u>Monthly Rates</u></b>	<b><u>HDHP</u></b>	<b><u>HMO 80/20</u></b>	<b><u>HMO 90/10</u></b>	<b><u>PPO</u></b>
Employee only	0.00	58.00	129.00	178.00
Employee +1	174.66	324.40	464.40	645.40
Family	313.24	534.56	740.56	995.56
Family (Dual)	156.62	267.28	370.28	497.78

**Q- Is the 20% paid by the employee of the cost the doctor charges OR the allowable cost in network?**

**A-**It is the allowable cost in network (the lower number).

**Q- What are qualifying events that would allow me to make a status change outside of the open enrollment?**

**A-** Change in legal marital status –marriage, death, divorce, and legal separation,  
Change in Tax dependents-birth, adoption or death  
Changes in employment status that affect eligibility- spouse job status or spouse eligibility for benefits  
Change in dependent eligibility –dependent ineligible for coverage  
Open enrollment under Spouse’s plan  
Certain Court orders –Health insurance order to pay/cover  
Eligibility for Medicare and Medicaid

**Q-How long do I have to make the change once the event occurs?**

**A-**You have 30 days from the date of the event to make changes to your benefits.

**Q- What information do I need to add dependents to my plan(s) if I have a qualifying status change or during open enrollment?**

**A-**You will need birth certificates, social security cards, names and birthdates for everyone you will be adding. In the event of marriage, a marriage license is needed. In the event of divorce, a divorce decree or separation papers are needed. In the event of a death, a death certificate is needed.

**Q-As a new employee, how long do I have to enroll in benefits?**

**A-**You have 30 days from the date of hire to enroll in benefits.

**Q- If I don't elect benefits with SPS, do I get an allowance for the benefits I decline? OR am I penalized for not enrolling in benefits?**

**A-N**to both. If you do not elect benefits with SPS, you do not get an allowance for the benefit. Nor do you get penalized for not enrolling in the benefits offered.

## **Helpful Tools available to you now**

Go to Anthem's website at [www.Anthem.com](http://www.Anthem.com), register with your health care card and there are several options:

- Find out if your doctor is "in network"
- See your bills, total cost, what you paid, and what SPS has paid
- Check to see the cost of a procedure needed within a 100 mile radius
- Register for online medical care

## **Helpful Tools to come**

- Online Alex tool will be available in May 2017
- Employee Guides and Handbooks available in May 2017
- Summary of Benefits and Coverage available in May 2017