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Blue Options HSA

An independent licensee of the Blue Cross and Blue Shield Association



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Why is your employer offering Blue Options HSA?

- Health care costs continue to rise & plans like Blue Options HSA can help control them:
 - “Consumer driven health care plans” designed to put you more in control of health care spending.
 - Typically, these plans have lower premiums.
 - Because you pay for your medical expenses out of your own tax-free account (and your employer contributes to it), you learn to make more informed decisions about health care.
- Blue Options HSA provides you with more options for how to manage your health care:
 - You control how to use funds in your account.
 - You can use your funds now or save them for future expenses.




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What is Blue Options HSA?



- High deductible PPO Health Plan
 - Similar to a traditional PPO, except:
 - The H.S.A health plan has a deductible that must be met before the health plan pays for medical claims, except for preventive
 - No co-payments (you pay 100% of health care and prescription costs until you meet deductible)

- HSA – managed by Mellon or another trustee
 - Tax-free savings account for medical expenses
 - You and/or your employer contribute money **tax-free**
 - You use money in your account to pay for medical expenses **tax-free**
 - Money earns interest over time and grows **tax-free!**

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The HSA – The Basics


You, your employer, or anyone can contribute to the HSA – tax-free!

2011 Annual Contribution Limit

- \$3,050 individual
- \$6,150 family

HSA checkbook and debit card from Mellon


Use for medical expenses at doctor's office, pharmacy, etc.



When you use your HSA to pay for qualified medical expenses, the money comes out tax-free!

If you don't use your HSA money, you don't lose it! You own the account. The fund grows - tax-free!

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How is Blue Options HSA different from your current plan?

<p>Similar to your current plan:</p> <ul style="list-style-type: none"> • Choose the doctor you want from our large network • Option of out-of-network benefits • Access to specialists with no referrals¹ • You save big with our provider discounts. • Nationwide, worldwide coverage 	<p>Different from current plan:</p> <ul style="list-style-type: none"> • High deductible: required by federal government • Deductible: \$2,000 employee/ \$4,000 family • Family aggregate deductible • Use your health savings account to pay for health care services • No co-payments for services – you pay 100% until you meet your deductible • Preventive care covered at 100%²
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¹ Referrals may be needed for mental health and substance abuse services
² See Member Guide for details

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The Health Plan – How does it work?

<p>Before you reach your deductible of \$2,000employee / \$4,000 family</p> <ul style="list-style-type: none"> – You pay 100% of your health care and prescription drug expenses – Preventive care is 100% covered - including things like mammograms, well-baby checkups, etc. 	<p>After you reach your deductible or the family deductible</p> <ul style="list-style-type: none"> – You pay just 20% of your health care expenses, including prescription drugs. BCBSNC pays the rest.
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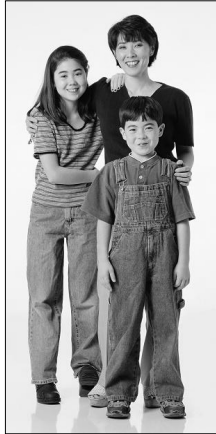
Maximum Out of Pocket, includes the deductible:
 \$4,000 employee / \$6,000 family

- Maximum out of pocket \$4,000 employee / \$6,000 family
- After you or your family reaches the OOP max, BCBSNC pays 100% of your health care costs, including prescription drugs, for the rest of the plan year!

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How does Blue Options HSA work for families?



- With Blue Options HSA, you have a single AGGREGATE deductible for the whole family:
 - All covered expenses count toward a single deductible for the entire family
 - Your deductible is \$4,000
 - Your family max out of pocket including deductible is \$6,000
 - If you reach the family deductible, you pay just 20% percent of covered health care expenses – BCBSNC pays the rest. When you reach the family maximum, all covered members are covered 100% for all medical expenses.

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The H.S.A. Fund – What can you use it for?

Qualified medical expenses include:

- Deductible and coinsurance amounts
- Visits to your doctor
- Medical procedures
- Prescription drugs
- AND, some things you wouldn't expect, like:
 - LASIK eye surgery
 - Hearing Aids
 - Visit www.irs.gov/publications/p969 for a complete list

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How does a trip to the doctor work?

- Visit a Blue Options in-network provider
- Your provider may collect an estimated amount
- Pay your doctor using your HSA debit card or checkbook, or you can use personal funds, and pay your self back later, if you don't have enough in your H.S.A. fund
- BCBSNC processes your claim and the provider bills you for any remaining amount – use your HSA funds for these expenses as well



How does a claim affect my HSA balance?

Employer contribution = \$500	Employer contribution +500
John's contribution = \$500	Employee contribution +500 Combined HSA balance = \$1,000
Doctor visit --- Doctor files the claim	\$250 Office visit (Billed amount/retail price)
BCBSNC will process the claim and send the information to John and his doctor.	\$150 Office visit (BCBSNC negotiated rate – the amount John owes.)
John's doctor will bill him once his claim is processed. John pays \$150	Doctor bills John \$150
John pays the doctor \$150 directly with his HSA debit card or checkbook.	John's HSA payment -\$150
John's HSA balance is now \$850.	John's new HSA balance = \$850

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Covered Preventive Care Services

Well baby and well child care


- Routine office visits up to age 2
- One routine office visit per benefit period for children age 2 through 18

Adult preventive care


- Adult preventive care
- One routine office visit per benefit period age 19 and above

Obesity evaluation and management

- Covers one office visit code per benefit period
- Additional obesity evaluations, after the first covered visit, are subject to the deductible and coinsurance and a 4 visit limit



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Covered Preventive Care Services

Immunizations (adult and child)

- Immunizations required for occupational hazard and/or international travel are not covered
- The following immunizations are covered services:

<ul style="list-style-type: none"> – Diphtheria-Pertussis-Tetanus Toxoid (DPT) – Polio – Influenza – Measles-Mumps-Rubella (MMR) 	<ul style="list-style-type: none"> – Pneumococcal vaccine – HiB – Hepatitis B – Meningococcal vaccine – Chicken pox
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Covered Preventive Care Services

Screening tests (adult and child)

- Covers one each of the following services performed in the office per benefit period
 - Pap test
 - Routine pelvic exam
 - Chlamydia screening
 - Clinical breast exam
 - Mammogram
 - Vision screening
 - Hearing screening
 - Cholesterol screening
 - Lipid screening
 - Hemoglobin
 - Colorectal cancer screening
 - Prostate specific antigen
 - Digital rectal exam
 - Osteoporosis screening

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Covered Preventive Care Services


Annual exam for a new prescription for glasses 100%

If you wear contacts, you will pay around \$25 for the additional test for a new contacts prescription. You can use your H.S.A funds for that.

Both plans include \$200 vision hardware reimbursement. Save the receipt for any glasses or contact expenses, any provider, and submit to BCBSNC with a claim form. You are reimbursed within 2 weeks, up to \$200 each year, each member, that has a vision hardware expense.

Nutritional Therapy Counseling
If your physician feels you need Nutritional Counseling, it is covered 100% as preventive.

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What about prescription drugs?

- **Prescription drugs covered just like medical benefits**
- **Before you meet your deductible:**
 - You pay 100% of the cost of your prescription drugs (BCBSNC has negotiated discounted rates for you – so you pay the discounted rate)
 - Use your HSA checkbook or debit card at pharmacy
 - Expenses count toward deductible
- **After you reach your deductible:**
 - You pay just 20% of the cost of your prescription drugs (discount still applies)
 - Use your HSA checkbook or debit card at pharmacy
- **If you reach your out-of-pocket maximum:**
 - BCBSNC pays 100% of all covered prescription drug expenses

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The HSA – What happens down the road?

- When you accumulate more than \$1,500 in your H.S.A. account, you can begin investing your money.*
- Your H.S.A. is portable. It's yours!
- At retirement, continue to use HSA funds for qualified medical expenses, tax-free.
 - Or use the funds for non-medical expenses and incur the tax, but no penalty



* Note: when your HSA balance reaches \$1,500 you can take advantage of investment options. See the HSA handbook.

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How should I contribute to my HSA?

• You have many options:

- Contribute through payroll deduction, tax-free
- The funds you payroll deduct, reduce your federal, state, and FICA taxes, exactly like retirement contributions. That is an important consideration when you assess the overall cost of the new plan.
- Contribute directly to your account, and deduct on your tax return
 - Contribute quarterly or monthly
 - Contribute the maximum at the beginning of the year
 - Contribute throughout the year, as you can
 - Later, you contribute for the prior year, before you file your taxes, before April 15

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How much can I contribute to my HSA?

• 2011 maximum contribution limits:

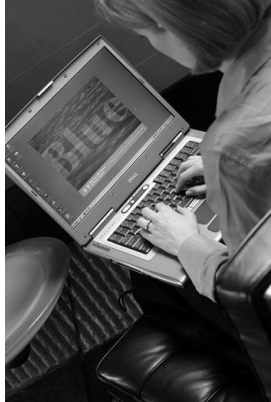
- **Individuals: \$3,050 minus the \$600 the church is contributing to the fund**
- **Families: \$6,150 minus the \$1,200 the church is contributing to the fund**
- **Catch-up contributions:** You can make an additional **\$1,000** deposit if you are between the ages 55-64
- Is both spouses wish to make catch-up contributions, the second spouse will need to open a second H.S.A. account.
- **Exceeding the limit:** If you contribute more than your limit, you will be taxed 20% on the excess contribution.

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How do I manage my HSA account?



- It's easy and all online – *My HSA Account* tool
- Manage fund and health care information in one place
 - Fund balance and transactions
 - Claims information
 - Summary information for tax purposes
- Log on to the Member Services area of *bcbssc.com*
- <https://hsamember.com/> The site for the fund trustee.

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Why will I like Blue Options HSA?



- **Tax savings**
 - Contribute tax-free
 - Save funds in your HSA tax-free
 - Pay for medical expenses tax-free
- **Your employer's contribution**
 - Your employer will contribute \$600 for employees, or \$1,200 if EE+1 or more.
- **Aggregate deductible**
 - All family expenses count toward a single deductible and max out-of-pocket.
- **100% coverage after out-of-pocket max**
 - If you spend more than your out-of-pocket maximum, BCBSNC pays all of your covered expenses (including prescription drugs) for the rest of your plan year.
 - This protects you from catastrophic expenses

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My HSA

Access your benefits and account information

Account Information

Available HSA Balance: **\$9,840.02** Last Login: 09/21/2005
 HSA Interest Rate: 0.75 % New HSA Transactions: 0
 Last Statement Date: 01/01/2001 New Health Claims: 0

Recent Account Transactions

Date	Transaction	Debit (-)	Credit (+)	Balance
07/30/2001	ACH CREDITS		9588.35	9310.02
01/21/2004	ACH DEBIT	51.53		552.57
08/13/2004	ACH DEBIT	27.80		554.10

Recent Health Claims and Medical Expenses

Date	Patient Name	Provider / Description	Billed Amount	Discount	Member Cost
06/21/2005	Marilyn	Dr. Smith	\$ 0.00	\$ 0.00	\$ 00.00
05/20/2005	Jim Jones	Dr. Yaga	\$ 0.00	\$ 0.00	\$ 01.11
04/19/2005	Ruby	Dr. Edin	\$ 0.00	\$ 0.00	\$ 50.10

Health Benefit Summary

You have met: \$2,931.70 of your \$3,000.00 In-Network Deductible. Once your In-Network Deductible has been met, BCBSNC will pay 40% of your covered services. [View your health benefit details.](#)

Account Services

- [Order HSA checks online](#)
- [Set My HSA Account preferences](#)
- [Calculate my HSA contributions](#)
- [Use tools to manage my health care dollars](#)

Callouts:

- View **Real Time** transactions & balances
- BCBSNC health claims

Why will I like Blue Options HSASM?

- **Savings**
 - The money you don't use for medical expenses can grow over time
- **Portability**
 - Take your HSA funds with you if you leave your current job
 - You can use them now or in the future – even in retirement
- **Easy online access**
 - See all your health care and fund information in one single place
 - *My HSA Account* is as easy to use as online banking

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What are my benefits?

Feature	New Blue Options PPO Benefits	New BlueOptions HSA
Office Visits	\$25 Primary/\$50 Specialist copayment	Deductible and coinsurance applies
Preventive Care (defined list)	100% no ded	100% no ded
Urgent Care/ER	\$50 Urgent Care/\$300 Emergency Room copayment	Deductible and coinsurance applies
Inpatient/Outpatient Hospital	80% after deductible	Deductible and coinsurance applies
Lifetime Maximum	Unlimited	Unlimited
Deductible – Individual	\$1,750 reduced by 4 mo ded credit	\$2,000 reduced by 4 mo ded credit
Deductible – Family	\$3,500 reduced by 4 mo ded credit	\$4,000 reduced by 4 mo ded credit
Coinsurance	80% in-network or 70% out-of-network	80% in-network or 50% out-of-network
Out-of-Pocket Maximum including the deductible	\$3,750 individual or \$7,500 family per benefit period. Plus all copays	\$4,000 individual or \$6,000 family Remember the \$600/\$1,200 the ER contribution to the H.S.A. fund.
Prescription Drug	\$4 generic/\$40 Preferred brand/\$55 Brand copayment 75% specialty drugs	Deductible and coinsurance applies
Provider Network	BlueOptions	BlueOptions

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What information is available to help me make health care decisions?



NC physician search at www.bcbsnc.com

Look for 'Find a Doctor'

Out of state physician search at www.bcbs.com Look for 'Blue Card'

Search drug treatment options and costs at www.bcbsnc.com. Look for 'Find a Drug' at top of page

www.hsamember.com

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