



An Overview of High Deductible Health Plans

This summary provides a brief overview of High Deductible Health Plans.. It is not inclusive of each HDHP provision. Should there be a discrepancy between the information contained in this document and the HDHP Rules and Regulations stipulated by the IRS, the IRS Rules and Regulations will govern.

High Deductible Health Plans (HDHP's)

A High Deductible Health Plan (HDHP) is a health plan that works like a Preferred Provider Organization (PPO) plan with an in-network and out-of-network benefit for covered services. However, it has a higher annual deductible and out-of-pocket maximums than other health care plans.

HDHPs were designed to make you, the consumer, more involved with choices over how your healthcare dollars are spent. Having more control can allow you to make more wise decisions for taking care of your health and healthcare costs.

Four Things to Know about HDHPs

1. **Higher Deductibles** – HDHP plans will require you to pay a higher annual deductible . Until you reach your deductible amount, you will be responsible to pay out-of-pocket for all medical services, including prescriptions that are not preventative care services. Your HDHP minimum deductible must be at least \$1,200 (self-only coverage) or \$2,400 (family coverage).
2. **Out of Pocket Maximum** – The annual out-of-pocket maximum for "In-Network" expenses cannot exceed \$5,950 for individual coverage or \$11,900 for family coverage. This refers to the amount of money you would have to pay before the insurance carrier would pay for 100% of any additional medical expenses incurred in that same year. It includes deductibles, co-payments and co-insurance expenses. It does not include premium payments.
3. **Pharmacy Benefits** – Your pharmacy benefits are part of your HDHP coverage therefore, prescription drug costs are covered just like any other covered expense. They are subject to the plan's out-of-pocket annual deductible.
4. **Exclusive Coverage** – If you elect HDHP coverage, you cannot be enrolled for coverage under any other group medical insurance plan including coverage as a dependent under a plan sponsored by your spouse's employer or a government plan.

High Deductible Health Plan Q&A

Q. Is a High-Deductible Health Plan (HDHP) right for me?

A. Only you can decide. However, it is important to understand that the HDHP plan will pay no benefits other than preventative services until you meet the applicable annual deductible.

Q . If I choose HDHP coverage, do I have to participate in a Health Savings Account (HSA)?

A. No. The decision to participate in an HSA is completely up to you.

Q . If I choose HDHP coverage now, will I be able to elect coverage under a different medical plan in the future?

A. Yes. During any subsequent Annual Re-enrollment you will be able to elect a different health plan.

Q . Are there any services which are not subject to the deductible?

A. First dollar coverage is only available for preventative care, such as an annual physical. Other than preventative care, you must satisfy the deductible before any co-payment or co-insurance benefits go into effect.

Q . How are benefits different for prescription drugs under the HDHP?

A. You will pay the cost of any prescription drugs you purchase and this amount will be applied against your annual deductible. Once you satisfy your annual deductible, the HDHP will pay according to the plan provisions.

Brought to you by  **HR**
ADVISORS

www.hr-benefit.com

585-777-4114 or 800-546-7410

Employee Benefit Consultants