



HMO Plans vs. High Deductible Plans

Same coverage – Saving Money

Employee Benefits Team
July-August 2019

Welcome!

- Welcome, we're glad to see you
 - Today we'll discuss how you could potentially saving thousands of dollars by changing your current HMO medical election to a High Deductible plan.
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Agenda

- Review current medical plans and coverage
 - Discuss how each of those plans receive their funding
 - Review and discuss the savings generated by enrolling in an HD Plan
 - Discuss how enrolling in an Health Savings Account (HSA) combined with your HD Plan helps you save even more money
 - Review HD Billing for Services
 - Review Next Steps
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MEDICAL PLAN OPTIONS



KAISER PERMANENTE



SUTTER HEALTH PLUS



WESTERN HEALTH ADVANTAGE

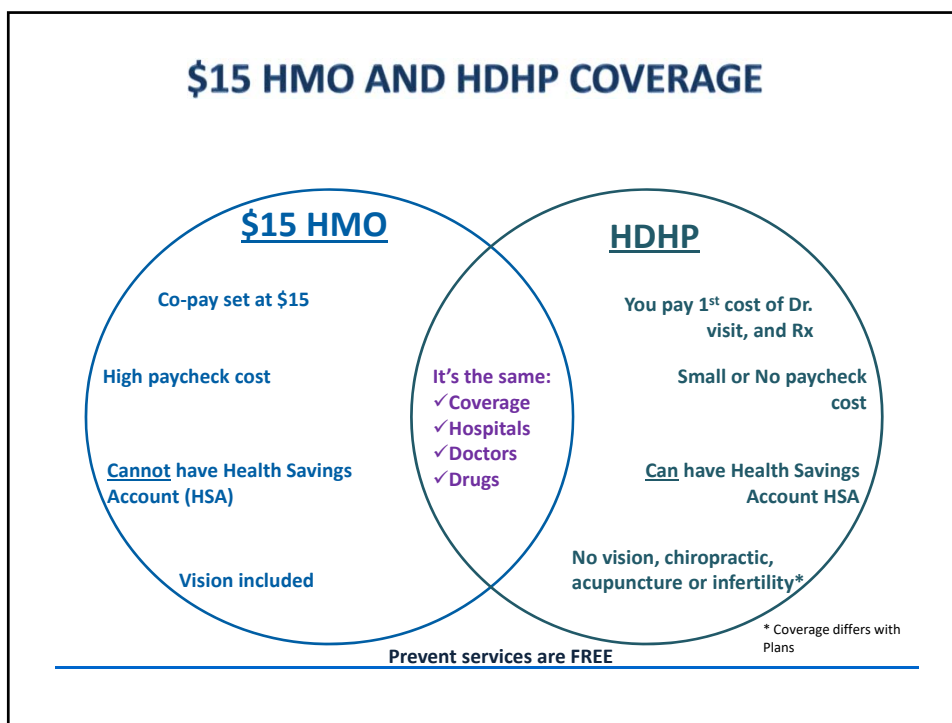
YOU CAN CHOOSE EITHER

Health Maintenance Organization (HMO)

OR

High Deductible Health Plan (HDHP)

\$15 HMO AND HDHP COVERAGE



\$15 HMO VS HDHP

DIFFERENCE BETWEEN HMO AND HDHP
IS WHERE FIRST \$'s ARE SPENT



OUT OF YOUR
PAYCHECK

HDHP



WHEN/IF YOU SEE
THE DR

MEDICAL PLAN PREMIUMS-2020 (Tier B)

(pending Board Approval)

County provides a monthly medical subsidy, any extra costs are paid by EE:

Tier B Employee Only = \$612.90/month, Tier B Family= \$1,569.04/month

 Employee Only	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium	\$820.10	\$633.00	\$803.30	\$591.32	\$766.12	\$583.00
Pay Period Cost	\$103.60	\$10.05	\$95.20	\$0	\$76.61	\$0
Annual EE Cost	\$2,486.40	\$241.20	\$2,284.80	\$0	\$1,838.64	\$0

 Family	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium	\$2,097.16	\$1,618.70	\$2,053.54	\$1,510.28	\$1,961.30	\$1,492.50
Pay Period Cost	\$264.06	\$24.83	\$242.25	\$0	\$196.13	\$0
Annual EE Cost	\$6,337.44	\$595.92	\$5814.00	\$0	\$4,707.12	\$0

HIGH DEDUCTIBLE-ALL PLANS

Single Deductible \$1,400-(2020)

- You pay the first \$1,400 for Dr. and Rx, then only co-pays on Rx prescriptions after the \$1,400 until you reach \$2,800 in total annually (70+ Rx's @ \$20 co-pay!)
- Medical services are covered at 100% after \$1,400, as well as Rx after the \$2,800 for the rest of the year

Family Deductible \$2,800-(2020)



- You pay the first \$2,800 (shared between everyone)
 - Then all services are covered at 100% for the remainder of the year for everyone
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KAISER PLAN SAVINGS-2020

(pending Board Approval)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !



 Employee Only	 KAISER		Best Annual Savings	Worst Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$1400 +\$1400				
Pay Period Cost	\$103.60	\$10.05	\$2486.40-\$241.20	\$2800+\$241.20-\$2486.40
Annual Total	\$2,486.40	\$241.20	\$2,245.20	-\$554.80



 Family	 KAISER		Best Annual Savings	Worst Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$2800				
Pay Period Cost	\$264.06	\$24.83	\$6337.44-\$595.92	\$2800+\$595.92-\$6337.44
Annual Total	\$6,337.44	\$595.92	\$5,741.52	\$2,941.52

SUTTER PLAN SAVINGS-2020

(pending Board Approval)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !



 Employee Only	 SUTTER		Best Annual Savings	Worst Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$1400 +\$1400				
Pay Period Cost	\$95.20	\$0		\$2800-\$2284.80
Annual Total	\$2,284.80	\$0	\$2,284.80	-\$515.20



 Family	 SUTTER		Best Annual Savings	Worst Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$2800				
Pay Period Cost	\$242.25	\$0		\$2800-\$5814.00
Annual Total	\$5814.00	\$0	\$5,814.00	\$3,014.00

WESTERN PLAN SAVINGS-2020

(pending Board Approval)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !

 Employee Only	 WESTERN		Best Annual Savings	Worst Annual Savings
\$1400 +\$1400	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
Pay Period Cost	\$76.61	\$0		\$2800-\$1838.64
Annual Total	\$1,838.64	\$0	\$1,838.64	-\$961.36

 Family	 WESTERN		Best Annual Savings	Worst Annual Savings
\$2800	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
Pay Period Cost	\$196.13	\$0		\$2800-\$4707.12
Annual Total	\$4,707.12	\$0	\$4,707.12	\$1,907.12

\$15 HMO VS HDHP

HMO

Pay the health carrier first for coverage even if you rarely see the doctor



HDHP

Pay yourself first by contributing to an HSA and still have coverage



HEALTH SAVINGS ACCOUNT (HSA) -2020

You can set aside much more than your total annual deductible exposure !

SINGLE ANNUAL MAX

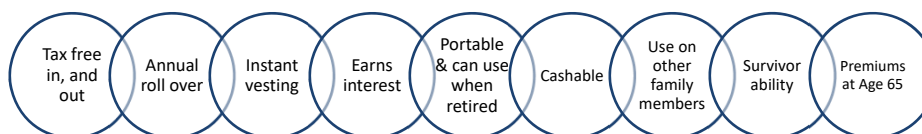
\$3,550 (<55)

\$4,550 (>55)

FAMILY ANNUAL MAX

\$7,100 (<55)

\$8,100 (>55)



- ✓ Use it for medical, dental, vision, acupuncture, chiro & Rx
- ✓ Change the contribution amount anytime all year
- ✓ Coverage must be an HDHP and nothing else (no other group coverage that is not an HSA HD plan, no other FSA)
- ✓ No "front load" of HSA, consider cushion for next year

HSA Partners

Kaiser HDHP = Optum Bank
Sutter HDHP =

WHA HDHP= Health Equity

BILLING AND CHARGES

Doctors

HD visits might mean the bill comes after the encounter

Rx

Pay when you pick up prescription



- Timing of charges may not be real time,
- Rx very fast, Dr. office may vary. Keep track of your receipts. Use websites or apps to confirm encounters and payments.
- May need to use personal funds and replenish as HSAs funds are added to the account (first few months of the year)

HSA must be open and active to reimburse future expenses, no reimbursements for past claims allowed.

HSA Debit card can track payments...always keep track of your charges, and call Customer Service when over the deductible!

Next Steps

- Review your medical utilization over the past several months
 - How often have you and your family members utilized the doctor, pharmacy, dental, vision, etc.
 - Are you on continuing treatment or maintenance Rx ?
 - Based on that information, would you reach the deductible associated with your benefit selection and age or have early costs at the beginning of the year?
 - Determine whether changing to the High Deductible Plan would be beneficial – both financial and utilizing long term contributions to an HSA
 - Complete the required on-line transactions during Open Enrollment
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After HSA Enrollment

- In December, you'll review information from the medical provider as well as the HSA vendor
 - Effective January 1, 2020, you will be enrolled in the HD Plan and HSA and begin saving!
 - In the meantime, we have a handout that provides some resources you may want to review
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Transitioning to Retirement – Under 65

- Since the HSA funds will be available in retirement, follow are some guidelines for utilization:
 - RHSP funds must be depleted first, on premiums and deductibles; Reimbursement only, no cash out available, save HSA funds as long as possible
 - Once RHSP funds are depleted, can contribute to HSA on post-tax basis until Medicare entitlement (age 65)
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Transitioning to Retirement – 65+

- Since the HSA funds will be available in retirement, follow are some guidelines for utilization:
 - RHSP funds must be depleted first, on premiums and deductibles; Reimbursement only, no cash out available, save HSA funds as long as possible
 - Once RHSP funds are depleted, no more HSA contribution allowed because of Medicare, can only spend down
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Contact Resources

- Employee Benefits Office: 916-874-2020 or mybenefits@saccounty.net;
 - Kaiser – 800-464-4000
 - Sutter – 855-315-5800
 - WHA – 888-563-2250
 - Optum (HSA provider for Kaiser and Sutter):
844-326-7967
 - Health Equity (HSA provider for WHA):
[877-300-4987](tel:877-300-4987)
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Questions

What questions can we answer?

Thank you for your time!
