



HMO Plans vs. High Deductible Plans

Same Coverage – Save Money

Employee Benefits Team
July-August 2022

WELCOME!

- Welcome, we're glad you're participating in today's training
 - 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

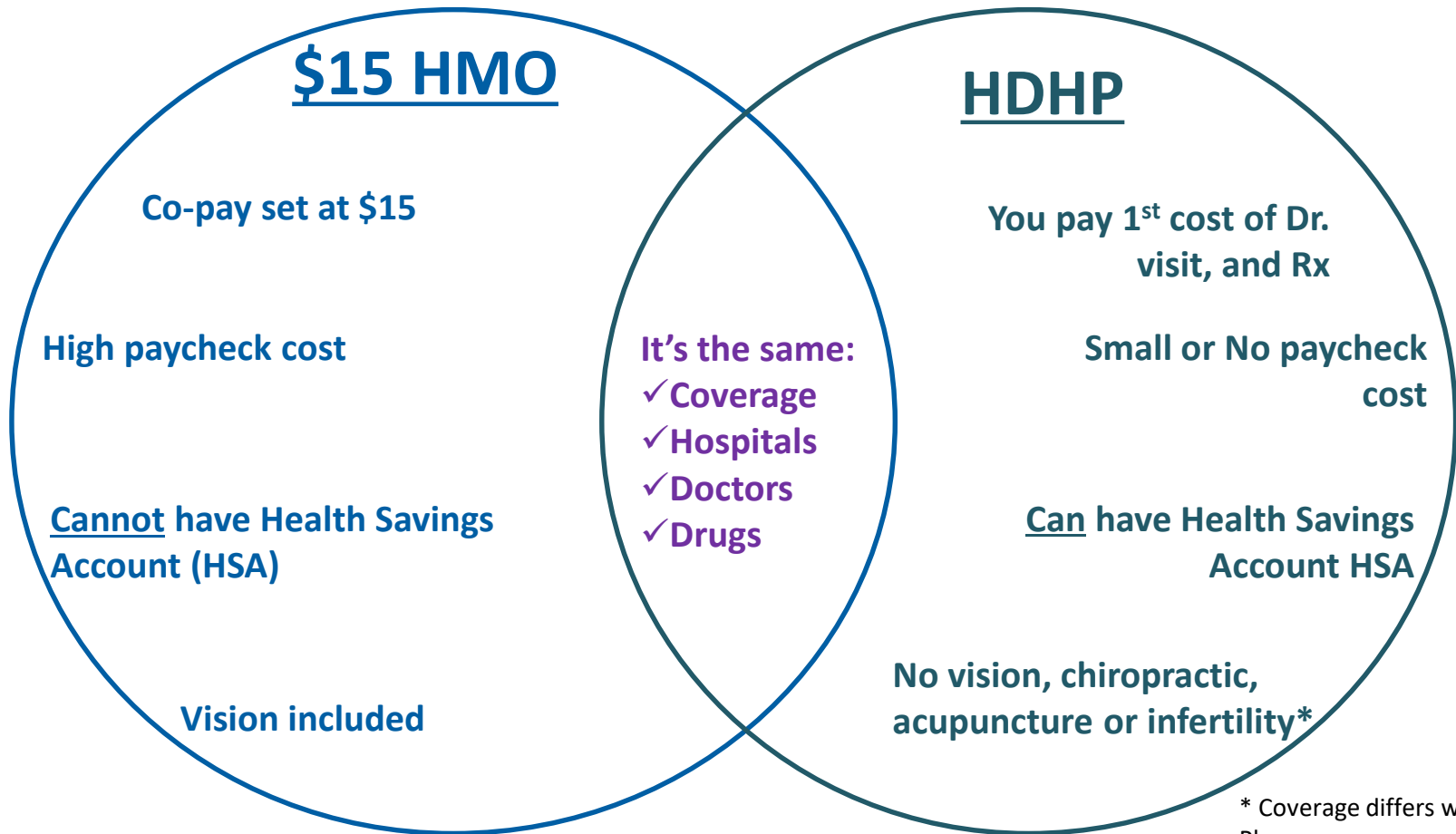
YOU CAN CHOOSE EITHER

Health Maintenance Organization (HMO)

OR

High Deductible Health Plan (HDHP)

\$15 HMO AND HDHP COVERAGE

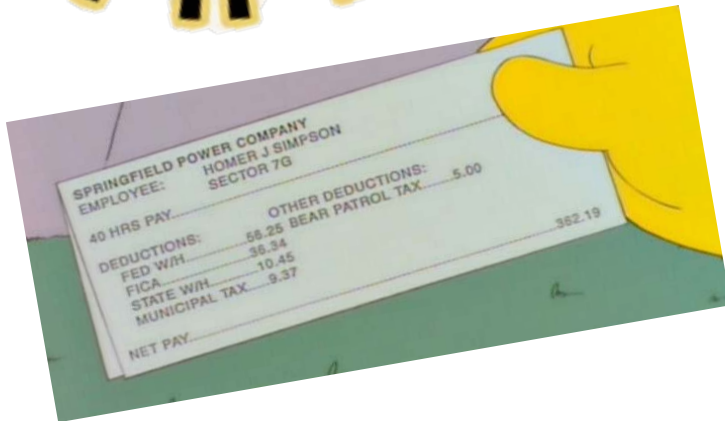


Preventative services are FREE

\$15 HMO VS HDHP

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

HMO



**OUT OF YOUR
PAYCHECK**

HDHP



**WHEN/IF YOU SEE
THE DOCTOR**

Dental Benefits

- No changes to dental coverage, it remains the same
- Still 100 % fully-paid by County
- Not tied to medical plan
- No re-enrollment is needed
- Coverage details can be found at:

<https://personnel.saccounty.gov/Benefits/Pages/Resources.aspx>



Vision Benefits - VSP

- Vision is bundled with the HMO plans
- Employees enrolling in a High Deductible plan have the option to elect voluntary vision coverage
- The employee cost for single coverage is \$5.16/month.
- The employee cost for family coverage is \$13.22/month.
- Coverage details can be found at:
<https://personnel.saccounty.gov/Benefits/Pages/Resources.aspx>








MEDICAL PLAN PREMIUMS-2023 (Tier B)

(pending Board Approval)

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

Tier B subsidy = Employee Only = \$659.80/month, Family= \$1,689.14/month

 Employee Only	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium	\$990.50	\$713.06	\$909.86	\$670.00	\$824.76	\$630.00
Pay Period Cost (Premium – Subsidy)/2	\$165.35	\$26.63	\$125.03	\$5.10	\$82.48	\$0.00
Annual EE Cost (Pay Period Cost x 24)	\$3,968.40	\$639.12	\$3,000.72	\$122.40	\$1979.52	\$0.00
 Family	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium	\$2,532.90	\$1,823.44	\$2,328.22	\$1,715.20	\$2,111.42	\$1,612.80
Pay Period Cost (Premium – Subsidy)/2	\$421.88	\$67.15	\$319.54	\$13.03	211.14	\$0.00
Annual EE Cost (Pay Period Cost x 24)	\$10,125.12	\$1,611.60	\$7,668.96	\$312.72	\$5,067.36	\$0.00

HIGH DEDUCTIBLE-ALL PLANS

Single Deductible \$1,500-(2023)

- You pay the first \$1,500 for Dr. and Rx, then only co-pays on Rx prescriptions after the \$1,500 until you reach \$3,000 in total annually (70+ Rx's @ \$20 co-pay!)
- Medical services are covered at 100% after \$1,500, as well as Rx after the \$3,000 for the rest of the year

Family Deductible \$3,000-(2023)

- You pay the first \$3,000 (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-2023

(pending Board Approval)

KAISER

Compare your premium (single coverage) Tier B

Kaiser HMO Annual Premium		Kaiser HDHP Annual Premium		Kaiser HDHP Annual Savings
\$3,968.40	-	\$639.12	=	\$3,329.28



With this example, you **save \$329.28** annually with a high deductible even if you have a catastrophic loss/max deductible.

\$3,329.28
- \$3,000.00
<hr/>
\$329.28/year
Or
\$27.44/month

SAVE

Compare your out of pocket (deductible)

Kaiser HDHP Annual Deductible		Kaiser HMO Annual Deductible		Kaiser HMO Deductible Difference
\$3,000.00	-	\$0.00	=	\$3,000.00



Compare your premium (family coverage) Tier B

Kaiser HMO Annual Premium		Kaiser HDHP Annual Premium		Kaiser HDHP Annual Savings
\$10,125.12	-	\$1,611.60	=	\$8,513.52



With this example, you **save \$5,513.52** annually with a high deductible even if you have a catastrophic loss/max deductible.

\$8,513.52
- \$3,000.00
<hr/>
\$5,513.52/year
Or
\$459.46/month

SAVE

SUTTER PLAN SAVINGS-2023

(pending Board Approval)

SUTTER

Compare your premium (single coverage) Tier B

Sutter HMO Annual Premium		Sutter HDHP Annual Premium		Sutter HDHP Annual Savings
\$3,000.72	-	\$122.40	=	\$ 2,878.32



With this example, you **MAY** have a loss of \$122.68 annually with a high deductible if you have a catastrophic loss/max deductible.

\$2,878.32
- \$3,000.00
LOSS - \$122.68/year

Compare your out of pocket (deductible)

Sutter HDHP Annual Deductible		Sutter HMO Annual Deductible		Sutter HMO Deductible Difference
\$3,000.00	-	\$0.00	=	\$3,000.00



With this example, you **save \$3,899.28** annually with a high deductible even if you have a catastrophic loss/max deductible.

\$6,899.28
- \$3,000.00
\$3,899.28/year
Or
SAVE \$324.94/month

Compare your premium (family coverage) Tier B

Sutter HMO Annual Premium		Sutter HDHP Annual Premium		Sutter HDHP Annual Savings
\$7,668.96	-	\$312.72	=	\$7,356.24



WESTERN PLAN SAVINGS-2023

(pending Board Approval)

WHA

Compare your premium (single coverage) Tier B

WHA HMO Annual Premium		WHA HDHP Annual Premium		WHA HDHP Annual Savings
\$1,979.52	-	\$0.00	=	\$1,979.52



With this example, you **MAY** have a loss of \$1,020.48 annually with a high deductible if you have a catastrophic loss/max deductible.

\$1,979.52
- \$3,000.00
LOSS -\$1,020.48/year

Compare your out of pocket (deductible)

WHA HDHP Annual Deductible		WHA HMO Annual Deductible		WHA HMO Deductible Difference
\$3,000.00	-	\$0.00	=	\$3,000.00



Compare your premium (family coverage) Tier B

WHA HMO Annual Premium		WHA HDHP Annual Premium		WHA HDHP Annual Savings
\$5,067.36	-	\$0.00	=	\$5,067.36



With this example, you **save \$2,067.36** annually with a high deductible even if you have a catastrophic loss/max deductible.

\$5,067.36
- \$3,000.00
\$2,067.36/year
Or
SAVE \$172.28/month

\$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



Paycheck Examples - Kaiser

Employee with Kaiser Family HD Plan, with HSA Contribution

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	35.93	71.00	2,551.03	37,491.85
Wellness Incentive Pa				236.53
CTO taken				563.68
Sick Leave Pay				67.10
Vacation Pay	35.93	1.00	35.93	370.97
Holiday	35.93	8.00	287.44	2,313.88
Total Compensation			2,874.40	41,044.01
.....				
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax			2.71	37.94
EE Kaiser HDHP Tier B			16.99	237.86
CERS Pension High			287.73	3,894.78
457 Plan FT Pre-Tax			57.49	1,230.22
Kaiser HDHP HSA			50.00	700.00
Total Pre-Tax Ded.			414.92	6,100.80
.....				
TAXES PAID				
IncTax-Federal			271.37	3,641.82
IncTax-California			111.89	1,488.51
TX EE Medicare Tax			40.67	580.99
TX EE Social Security Tax			173.89	2,484.23
SDI Tax-California			34.26	489.22
Total Taxes			632.08	8,684.77
.....				
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
457 Plan ROTH Post-Tax			229.96	3,283.56
Total After-Tax Ded.			229.96	3,283.56
.....				
Total Net Pay			1,597.44	22,974.88

Employee with Kaiser Family HMO Plan, with no HSA Contribution

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay				22,610.49
CTO taken				187.86
Sick Leave Pay				2,453.75
Vacation Pay	31.94	72.00	2,299.68	7,465.83
Holiday	31.94	8.00	255.52	2,092.40
Emerg.Sick Lv-Self				1,312.08
CA COVID Sick Lv-Self				1,192.80
Total Compensation			2,555.20	37,315.21
.....				
PRE-TAX DEDUCTIONS				
EE Kaiser HMO Tier B			123.65	1,731.10
CERS Pension Low			12.25	171.57
CERS Pension High			273.18	3,718.80
Total Pre-Tax Ded.			409.08	5,621.47
.....				
TAXES PAID				
IncTax-Federal			238.82	3,472.76
IncTax-California			57.82	823.49
TX EE Medicare Tax			35.26	515.97
TX EE Social Security Tax			150.75	2,206.21
SDI Tax-California			29.18	427.01
Total Taxes			511.83	7,445.44
.....				
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Union Dues (008)			25.55	373.18
Total After-Tax Ded.			25.55	373.18
.....				
Total Net Pay			1,608.74	23,875.12

Paycheck Examples - Sutter

Employee with Sutter Family HD Plan, with HSA Contribution

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	39.12	80.00	3,129.60	35,251.80
Sick Leave Pay				460.20
HIL Taken				920.40
CA COVID Sick Lv-Self				306.80
PM Shift Pay%	2.93	93.50	274.32	2,748.20
Night Shift Pay%				15.34
7.5% Mntl HlthCt Assi	7.50		234.72	2,770.44
5% License Req.	5.00		156.48	1,846.96
Total Compensation			3,795.12	44,320.14
.....				
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax			2.71	27.10
CERS Pension High			313.27	3,508.31
Sutter HDHP HSA			200.00	980.00
Total Pre-Tax Ded.			515.98	4,515.41
.....				
TAXES PAID				
IncTax-Federal			451.70	5,520.50
IncTax-California			211.09	2,434.32
TX EE Medicare Tax			52.09	628.04
TX EE Social Security Tax			222.73	2,685.41
SDI Tax-California			45.51	531.52
Total Taxes			983.12	11,799.79
.....				
Total Net Pay			2,296.02	28,004.94
=====				

Employee with Sutter HMO – Family, not eligible for HSA

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	32.90	48.00	1,579.20	32,787.59
CTO taken	32.90	1.00	32.90	822.50
Sick Leave Pay	32.90	4.00	131.60	681.94
Sick Leave-Family				500.03
Vacation Pay	32.90	19.00	625.10	1,948.94
Holiday	32.90	8.00	263.20	2,240.60
5% Educ/Cert.	5.00		131.60	1,949.08
Total Compensation			2,763.60	40,930.68
.....				
PRE-TAX DEDUCTIONS				
Bundled Vision Tier B			1.39	19.46
Sutter HMO Tier B			255.09	3,571.26
CERS Pension High			263.46	3,698.55
Total Pre-Tax Ded.			519.94	7,289.27
.....				
TAXES PAID				
IncTax-Federal			365.60	4,745.36
IncTax-California			87.40	1,310.29
TX EE Medicare Tax			36.36	541.46
TX EE Social Security Tax			155.45	2,315.21
SDI Tax-California			30.08	448.10
Total Taxes			674.89	9,360.42
.....				
Total Net Pay			1,568.77	24,280.99

HEALTH SAVINGS ACCOUNT (HSA)

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

2023 SINGLE ANNUAL MAX

\$3,850 (<55)

\$4,850 (>55)

2023 FAMILY ANNUAL MAX

\$7,750 (<55)

\$8,750 (>55)

Tax free
in, and
out

Annual
roll over

Instant
vesting

Earns
interest

Portable
& can use
when
retired

Cashable

Use on
other
family
members

Survivor
ability

Premiums
at Age 65

- ✓ 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

HEALTH SAVINGS ACCOUNT (HSA)

- Let's take 2 minutes to watch a video explaining the many values of enrolling in an HSA
 - <https://www.optumbank.com/resources/library/what-hsa.html>
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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 at www.benefitbridge.com/saccounty
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AFTER HSA ENROLLMENT

- In December/early January, you'll receive information packet from the medical provider as well as the HSA vendor
 - Effective January 1, 2023 you will be enrolled in the HD Plan and HSA and begin saving!
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Transitioning to Retirement – Under 65

- Since the HSA funds can be taken with you into retirement, you can maximize their value:
 - Use your RHSP funds on premiums, deductibles and co-pays for you and dependents, since RHSP is reimbursement only, no cash out available, use more versatile HSA funds last.
 - If RHSP funds emptied and you are still under 65 and on an HDHP, can contribute back into an HSA on post-tax basis until Medicare entitlement (age 65)
-

Transitioning to Retirement – 65+

- Since the HSA funds can be taken with you into retirement, you can maximize their value:
 - Use your RHSP funds on premiums, deductibles and co-pays for you and dependents, since RHSP is reimbursement only, no cash out available, use more versatile HSA funds last.
 - Once RHSP funds are depleted, no more HSA contribution allowed because of Medicare, but you now also use HSA on your premiums if you are over 65
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CONTACT RESOURCES

- Employee Benefits Office: 916-874-2020 or Mybenefits@saccounty.gov;
 - Kaiser Permanente: 800-464-4000
 - Sutter Health Plus: 855-315-5800
 - Western Health Advantage: 888-563-2250
 - Optum Bank (HSA provider for Kaiser and Sutter):
844-326-7967
 - Health Equity (HSA provider for WHA):
877-300-4987
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QUESTIONS

Email us at: MyBenefits@saccounty.gov

Participate in a live session:

<https://personnel.saccounty.gov/Benefits/Pages/Training.aspx>

Thank you for your time!
