



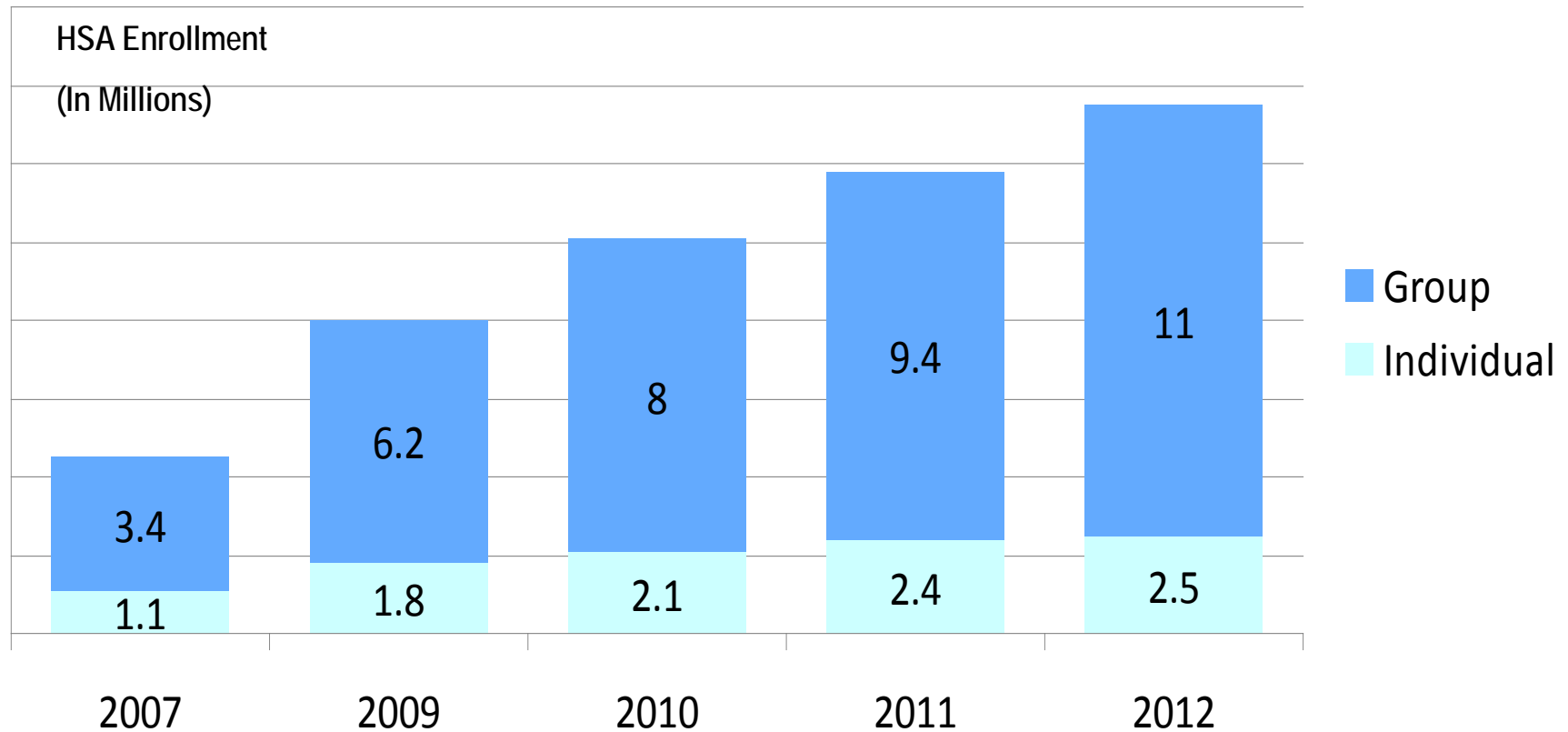
MASSACHUSETTS

Northeastern University

High Deductible Health Plan & Health Savings Account

An Employee Guide

Growing HSA & HDHP Enrollment



High Deductible Health Plan/Health Savings Account (HDHP/HSA) coverage in the group market rose from 3.4 million as of January, 2007 to 11 million in January 2012.*

*Center for Policy and Research, AHIP, June 2012

- **High Deductible Health Plan:** an HSA compliant plan that qualifies you to open an HSA
- **Preventive care coverage:** your medical plan provides coverage that is not subject deductible
- **Peace-of-mind protection:** your medical plan provides maximum coverage for other services, after the deductible
- **Health Savings Account:** an account you fund pre-tax to help pay for your out-of-pocket expenses on the **High Deductible Health Plan**— Administered by our partner, Health Equity.
- **Support and tools:** resources to help you manage your health and your health plan

Blue Cross Blue Shield National PPO

- You May Choose Any Doctor or Hospital
- No Primary Care Physician or Referrals Required
- Two Levels of Benefits – In-Network vs. Out of Network
 - Where You Choose to go determines BCBS Payment
 - Use National BCBS PPO Providers or any Emergency Room For In-Network Benefits
 - Use any Licensed Provider For Out-of-Network Benefits

***SERVICES THAT ARE
NOT SUBJECT TO
DEDUCTIBLE:***

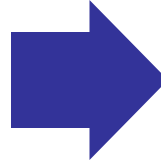


***Preventive Visits, Related
Tests & Immunizations***

• In-Network: You Pay \$0

- Well-Child Care Visits
- Routine Adult Physical Exams
- Routine GYN Exams
- Routine Vision Exams
- Routine Hearing Exams
- Family Planning Services Office Visits

***SERVICES SUBJECT
TO DEDUCTIBLE:***



**For all other services,
before the plan provides
benefits**

- **You pay plan-year deductible**

In Network

- **\$1,500 for Individual Membership**
- **\$3,000 for Family Membership**

**Entire Family Deductible Must Be Met Before Benefits Are
Provided For Any Family Member**

High Deductible Health Plan Benefits

After You Pay \$1,500 Individual, \$3,000 Family Deductible:

- Most In-Network Services: You Pay 10%
- Out-of-Network Services: You Pay 30%
- Emergency Room Visits: You Pay 10% after deductible
- Prescriptions:
 - Retail (30-day Supply): You Pay \$5/\$30/\$50 after deductible
 - Mail Service (90-day Supply): You Pay \$10/\$60/\$100 after deductible

High Deductible Health Plan Benefits

Plan-Year Out-of-Pocket Maximum (*Includes Deductible and Coinsurance-excludes prescription copayments*)

- \$2,500/Individual Membership
- \$5,000/Family Membership

**Entire Family Out-of-Pocket Maximum Must Be Met
Before Any Family Member Receives Full Benefits**

Why participate in a Health Savings Account?

- **Premium savings** - Medical plan compatible with the HSA will have a lower premium/cost to you
- **Tax Savings** – you may contribute to the HSA on a pre-tax basis
- **Individual-owned savings account** - use at your discretion to pay/fund out of pocket expenses such as the plan deductible, co-payments, or to build wealth for later years
- **Employer Contribution** - Your employer is contributing \$500 for individual/\$1,000 for family

Who can participate in an HSA?

- You must be covered by an HSA- compatible health plan
- Have no other first dollar medical coverage
 - (Permitted types of insurance are disability, accident, dental care, vision care, specific injury insurance or accident, or LTC insurance)
- You must not be enrolled in a full scope medical FSA
- You must not be enrolled in Medicare or Medicaid
- You cannot be on active duty in the military
- You must not be eligible to be claimed as a dependent on another individual's tax return

What are the Advantages of an HSA?

- Individual Account Ownership
 - You control the money in your account
 - Save it for a later date
 - Use it for eligible expenses today
- Potential for **Triple** Savings at the Federal level
 - pre-tax deductions on HSA contributions
 - tax free earnings on dollars accumulating in the HSA
 - tax free withdrawals for qualified medical expenses

What are the Advantages of an HSA?

- Portable
 - You keep the money in the HSA account even if you change jobs
- Unused funds rollover from year to year
- Wealth building opportunity
 - Grow funds in HSA account by earning interest or through investments

Immediate Tax Savings

Participant Tax Savings ¹	Individual	Family
Maximum contribution for tax year 2014	\$3,300	\$6,550
Federal tax savings ² (25%)	\$825	\$1,637
State tax savings ³ (6.25%)	\$206	\$409
FICA and FUTA tax savings ⁴ (7.65%)	\$239	\$501
Total potential tax savings	\$1,270	\$2,547

1. These hypothetical examples are for illustrative purposes only. Individual situations may vary.
2. 25% average Federal tax rate used for purposes of this example. Accountholders should consult a tax advisor with questions.
3. Except NJ, CA, and AL or states that don't have state income tax
4. Only available if contributions are made through employer's cafeteria plan and payroll deductions.

What may I contribute to my HSA?

- Annual maximum based on IRS regulations

For 2014, the contribution limits are:

- Single coverage: \$3,300
- Family coverage: \$6,550

- Catch up provision available for employees over age 55

- \$1000*

*Contribution maximums are per tax year

- Employer and employee contributions count toward the maximum
- Employees who do not remain HSA eligible for an entire tax year will have an adjusted contribution max.
 - *Example, you are an individual enrolled in the plan for only 6 months, your adjusted max contribution can be calculated using this formula($\$3,300/12 \times \# \text{ of months eligible}$)*
 - *Or $(\$3,300/12 \times 6) = \$1,650$*

What are HSA Qualified Expenses?

- You can use the money in your savings account to pay for many types of medical expenses
- Qualified medical expenses as outlined in IRS publication 502, and IRC Section 213 (d) may include:
 - Deductibles
 - Co-pays
 - Co-insurance
 - Eyeglasses/contact lenses
 - Dental

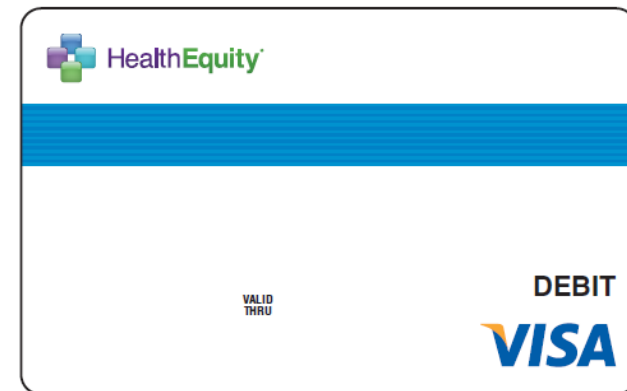
Visit <http://www.irs.gov/pub/irs-pdf/p502.pdf> for a full list of qualified medical expenses.

Why Health Equity for the HSA?

- FDIC-insured interest bearing deposit account
- Investment access once a minimum balance of \$2,000 is met
- Health Equity offers a robust, easy to use portal for total account management
 - Single sign-on from BCBSMA Member Central
 - Convenient reimbursement options
 - Mutual fund investing with unlimited trades
 - Warm transfer to support all member inquiries
- Dedicated customer service 24/7/365
 - Members can reach HealthEquity by calling BCBSMA or calling direct

Multiple ways to pay or get reimbursed

- At the beginning of the plan year you will receive your HealthEquity Visa debit card and welcome materials
- You will need to activate your debit card by calling the number affixed to the card
- The welcome materials will also provide detail on how to log into your online HealthEquity portal
- **Disbursement options include:**
 - Debit Card - for immediate payment at pharmacies and doctors' offices.
 - Online distributions - use Health Equity Online Portal to make online one-time transfers into any bank account or pay your provider directly
 - Manual Reimbursement Request - submit a manual reimbursement request



Paying for Expenses – Debit Card

- A Visa® HSA Debit Card will be issued in the participant's name
- You may use the debit card to pay for qualified medical expenses (*HSA funds are only available up to the balance in the account*)
- Debit Card transactions will be applied against your HSA account
- Additional cards can be ordered online or by calling Health Equity customer service (The first three cards are free after that there is a \$5.00 charge for additional cards).

Example: HSA payment options

Deductible Expenses or Co-Insurance Expenses–

- Present medical ID card to provider
- Provider bills BC/BS for the service
- You will receive a bill from provider
- You may use the following methods of payment to access your HSA funds for the deductible:
 - HSA account debit card
 - HSA Bank Account
 - Online Provider Pay
 - Transfer money to personal bank account
 - Manual withdrawal from HSA Account

**Receipts should be saved to support transactions*

Cash in the deposit account component of the HSA is insured by the Federal Deposit Insurance Corporation (FDIC). Mutual fund investments are not insured.

Investment Opportunity

- A \$2,000 minimum deposit account balance must be reached and maintained to invest future contributions
- 12 Health Equity mutual funds available for investment from conservative to aggressive
- A brief overview of each HSA mutual fund option is available at info@healthequity.com

“Single, Smart Sue”

Sue is single and 24 years old. She has the occasional cold but really doesn't have any major health problems. Sue makes sure she has a routine physical every year and gets her flu shot every fall. She knows that preventive care is covered at 100% when using in-network providers (told you she was smart!).

Sue does end up in the doctor's office with strep throat in the winter. She asks her doctor if a generic antibiotic is an option- and it is, saving her money!

Her total covered health care expenses add up to \$173.

She uses the money in her HSA to pay for these expenses.

Let's take a closer look at her total costs....



“Single, Smart Sue”

Account Name’s HSA contribution: \$250

Sue’s pre-tax HSA contribution through payroll deductions: \$250

Sue’s medical deductible: \$1,500

Service	Cost of Care	Plan Pays	Member Pays		HSA Balance
			Out-of-Pocket	From HSA	
Start of Plan Year					\$500
Sue’s Routine Physical and Flu Shot	\$200	\$200	\$0	\$0	\$500
Sue’s doctor’s visit due to strep throat	\$150	\$0	\$0	\$150	\$350
Sue’s generic medication	\$23	\$0	\$0	\$23	\$327
Totals	\$373	\$200	\$0	\$173	\$327 Unused HSA funds roll over to next year

Member Central

- Review your benefits and claims
- Request an ID Card
- Review Your Pharmacy Program
- Find a Doctor
- Link to Health Equity to Review Your Health Savings Account

HEQ Portal

- Check your HSA balance, monthly online statement provided
- Review HSA payments
- Access forms
- Review investments (if applicable)

Member Service Representatives

- Customer Service Support available through BC/BS & Health Equity
- Health Equity Customer Service can be reached 24/7/365 at (866) 346-5800

\$150 Fitness Benefit

**\$150 Weight Loss
Benefit**

Living Healthy Babies

**Safe Beginnings
Discounts**

**Blue Care Line:
1-888-247-BLUE (2583)**

Childbirth Class Benefit

**Living Healthy Vision
Discounts**

**Living Healthy Naturally
Discounts**

**For Provider Information or Questions
on Your Membership, Benefits, Referrals or Claims
*Call The Healthy You Concierge Care Center 1-888-543-8770***

**Monday - Friday, 8 a.m. - 6 p.m.
or visit www.bluecrossma.com**

**For questions on your HEQ account
Call Health Equity Customer Service at (866) 346-5800
24/7/365**

Questions?



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