



UNDERSTANDING OUR NEW CONSUMER DRIVEN HEALTH PLANS

When you make a purchase, you have the ability to decide how you will spend your money in exchange for the product you buy. You make choices by comparing price, quality and utilization – how often will you use the product. By doing research, you become an informed consumer and can buy the products that best fit your needs.

The new HBC medical plans tap into this same idea by offering Associates Consumer Driven Health Plans (CDHP). These plans provide greater transparency and flexibility, allowing you to choose how much you'll spend on health care premiums and deductibles based on how much health care you think you'll need in the coming year.

There are three CDHP levels to choose from – Gold, Silver and Bronze.

- All three plans use the same Cigna medical provider network - the *Cigna Open Access Plus*, ensuring that you and your family can get quality care inside the network.
- The different plans allow you to choose a lower premium in exchange for the potential of higher out-of-pocket costs, or vice versa, depending on your needs.
- All three options offer a **Health Savings Account (HSA)**, which allows you to save for health care expenses by setting aside pre-tax dollars

CIGNA TO BE HBC's HEALTH CARE SERVICE PROVIDER in the US!

We are pleased to announce that Cigna has been selected as HBC's health care service provider. Cigna's vast network will include medical services, including hospitalization and physician expenses. (Prescription drug coverage will be provided through CVS Caremark.)

Cigna is a global health service leader dedicated to helping people improve their health, well-being and sense of security. They cover more than 14 million customers worldwide.

How a Consumer Driven Health Plan (CDHP) Works

With a CDHP, there are no copays. You pay the cost for medical services and prescriptions until you reach the annual *deductible*. And, if you use in-network providers, you'll pay the discounted rates. Once you have reached the deductible, the plan pays a percentage of the cost for medical services. The amount the plan pays is called *coinsurance*. *

However, all in-network preventative care costs (immunizations, annual physicals, well-child visits) are covered 100% - you have no out-of-pockets cost for covered preventative care.

TOTAL REWARDS

BENEFITS | PAY | OPPORTUNITY | RESOURCES

There is also an annual *out-of-pocket maximum*. This is the most you will have to pay for covered services. Once you have satisfied this limit, the plan will begin paying 100% of your covered expenses for the remainder of the year.

**The coverage tier you elect (Associate, Associate & Spouse, etc.) determines the amount of your deductible and out-of-pocket maximum.*

Three Levels to Choose From

How do the three levels work?

You will need to consider your health care needs and preferences before deciding what level is best for you. For example:

If you or your family take frequent trips to the doctor and/or have ongoing prescriptions to fill, you may want to consider a Gold plan. Gold plans have higher premiums but lower deductibles than the other levels. Once you meet your deductible your medical coinsurance kicks in.

However, if you mostly go to the doctor for preventative care and seldom need any other medical services, you may want to consider the Silver or Bronze plan. These have lower premiums but higher deductibles before coinsurance kicks in.

Health Savings Account

A key feature of our new CDHP is the Health Savings Account (HSA). An HSA allows you to save money pre-tax for health care to help offset initial health care expenses including deductibles and out-of-pocket costs, and to save for future health care needs.

If you enroll in the Gold or Silver option, HBC will contribute money into your Health Savings Account – up to \$1,000 a year for family coverage! (The Bronze plan also allows you to enroll in an HSA, but does not have company-provided contributions.) **Best of all the money accumulated in your HSA is yours to keep – even if you leave HBC, your HSA account travels with you, and it is not subject to a “use it or lose it” requirement.**

What should you do now?

In the coming weeks you'll get more information about the CDHP designs and coverage, HSAs, and learn how to participate in this year's Open Enrollment process. For now just continue to watch for more updates on Saks/HBC News and check out our benefits website www.myhbcbenefits.com.

Note: Puerto Rico and Hawaii Associates have different options. Please refer to your local medical, dental and vision plans for details.