Consumer Directed Health Plan
CDHP

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Background

- What’s driving health care costs
- Need for sustainable health benefits without sacrificing coverage
- Impacts to employer groups
- Any changes to SchoolCare plans are made by the Membership Council
2012 Standard Plans Review

- **HMO (Open Access)**
  - No cost preventive care
  - $10 Copay for office visits
  - CIGNA National Provider Network

- **POS (Open Access)**
  - No cost preventive care
  - $10 Copay for office visits (in network)
  - CIGNA National Provider Network
  - Coverage out of network subject to $300 deductible & coinsurance

- **Open Access+**
  - No cost preventive care + routine vision care
  - No cost mental health/substance abuse (out patient)
  - No cost generic Rx via 90 day mail order
  - CIGNA National Provider Network
  - $250/ $500 deductible; $1,000/$2,000 Out of Pocket Max
Cigna’s CDHP

Delivers immediate and sustainable cost savings.

- Year 1 average savings 5% off Open Access+ (12.5% less than HMO); average 2% lower trend in subsequent years
- Increased use of preventive care, education compliance improved, while costs decreased
- Benefits & coverage provided at same or higher levels than traditional plans
- Increased participation in disease management programs
CDHPs; They are different, not difficult

- Health insurance policy with deductible and HRA fund
- All covered services (except preventive care /drugs) apply to deductible first
- HRA fund provided through premiums by SCHOOLCARE to cover the first portion of the services that apply to the deductible
- Completing a confidential, online Health Assessment is required annually for subscriber and spouse to access the HRA fund. Biometrics not required, but $150 reward to each for completing with biometrics!
Choice Fund HRA Plan:

Your **HRA** Fund:

- Provided by **SCHOOLCARE** to help pay for the first portion of deductible

- Remaining balance is rolled over into the next year (may accumulate up to a max. equal to the Out of Pocket Maximum)

- Coinsurance begins after you have met your deductible:
  - 20% out of your pocket up to the maximum out of pocket for the year
Choice Fund HRA Plan (cont’d)

- **Preventive care and drugs** (generic) are covered at 100%, so you will not need to use your HRA fund, out of pocket or coinsurance to cover these eligible expenses.

- Once you have met your calendar year out of pocket expenses, **then all covered services, DME and pharmacy are paid at 100%**.
CIGNA Medical Claim Payment Process with HRA

**Medical Claim**

1. Sick visit to an in-network doctor/hospital/facility.  
   *Ex: Doctor standard fee: $150*

2. Show CIGNA Choice Fund ID card.  
   Pay nothing at visit.  
   *Cigna discounted doctor fee: $100*

3. Doctor bills CIGNA $150.  
   CIGNA determines your payment responsibility:  
   *You owe $100*

4. CIGNA subtracts payment owed from your HRA balance and pays doctor.  
   *$100 deducted from HRA and sent to doctor*

5. CIGNA sends you an EOB showing:  
   - Doctor fee, CIGNA discount, amount billed,  
     amount deducted from HRA, amount paid to doctor,  
     remaining HRA balance, what you saved

6. CIGNA updates your HRA statement online.  
   Sends hard copy Quarterly Statement via the mail.

**SCHOOLCARE HEALTH BENEFIT PLANS**

of the NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
**SCHOOLCARE Consumer Driven Health Plan**

<table>
<thead>
<tr>
<th>CIGNA National Network (Self refer)</th>
<th>In Network only</th>
<th>SCHOOLCARE or HRA Fund Covers:</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Care</td>
<td>$0</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>Deductible</td>
<td>$1,250 / $2,500</td>
<td>First $1,000 / $2,000</td>
<td>$250 / $500</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>20%</td>
<td>80% to EE max, then 100%</td>
<td>20% up to OOP</td>
</tr>
<tr>
<td>Annual Maximum OOP</td>
<td>$2,000 / $4,000</td>
<td></td>
<td>$1,000 / $2,000</td>
</tr>
</tbody>
</table>

**Services**

<table>
<thead>
<tr>
<th>Services</th>
<th>80% to EE max, then 100%</th>
<th>Deductible, then 20% to OOP Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician/Specialist Lab &amp; X-Ray</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Radiology</td>
<td></td>
<td></td>
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<tr>
<td>Inpatient / Outpatient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency / Urgent Care (anywhere)</td>
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<tr>
<td>Mental Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Inpatient / Outpatient)</td>
<td></td>
<td></td>
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<tr>
<td>Hospitalization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescription (Rx)</td>
<td>80% to EE max, then 100%</td>
<td>Deductible, then 20% to OOP Max</td>
</tr>
</tbody>
</table>
Deductible / Co-insurance

- Individual deductible & co-insurance to $2,000 max

- $1,250 Deductible

- 20% Co-insurance ($750 max)

- $250

- $1,000 HRA Fund

- Total = $2,000

- You = $1,000

20% of claims until you reach a total of $2,000
Deductible / Co-insurance

- 2 Person /Family deductible & co-insurance to $4,000 max. Everyone is in the bucket.

  - 2 Person /Family deductible & co-insurance to $4,000 max. Everyone is in the bucket.
  - 20% of claims until you reach a total of $4,000
  - $2,500 Deductible
  - $2,000 HRA Fund
  - 20% Co-insurance ($1,500 max)
  - You = $2,000
  - Total = $4,000

- 2 Person /Family deductible & co-insurance to $4,000 max. Everyone is in the bucket.
## CDHP Rx Plan

<table>
<thead>
<tr>
<th>Drug</th>
<th>30 Day Retail</th>
<th>90 Day Mail Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic, Preferred Brand, Non-preferred Brand</td>
<td>Deductible then 10% (up to $75 per Rx) up to OOP Max</td>
<td>Deductible then 10% (up to $75 per Rx) up to OOP Max</td>
</tr>
<tr>
<td>Generic Preventive Drugs</td>
<td>Deductible then 10% (up to $75 per Rx) up to OOP Max</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Consumerism

- When employees have a better understanding of the costs associated with their health care, they are empowered to make better decisions and to become active participants in managing costs.

- Behavior change is never easy, but those willing to make changes benefit from better health and lower health care costs.
Questions?
Discussion

- What concerns you about this type of plan?
- What advantages are there to this plan?
- What is your opinion of having the HRA fund tied to taking a Health Assessment?