

Webinar: Yellow Open Access with Choice Fund

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Hello! This is an overview of the SCHOOLCARE Yellow Open Access plan with Choice Fund. I'm Jeff Kantorowski and I will walk you through the key components of the plan. We will cover some terminology, review the summary of benefits and see how the out of pocket costs are calculated. Let's dive in!

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First some key terms used with the plan. The first term is Deductible. The deductible is the first out of pocket that must be incurred before the plan starts to pay for services. Like car insurance when you have an accident, the deductible is paid out of pocket before the insurance starts to pay. The next term is coinsurance. After you meet the deductible, you will then only pay a small percentage of the charges. You will pay 20% of a medical service and 10% of the cost for a prescription. The last term is out of pocket maximum. Your out of pocket maximum for the year is the total of the deductible and coinsurance amounts. Once you reach your out of pocket max, then everything is covered in full.

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The Yellow Plan with Choice Fund is a Consumer Driven Health Plan or CDHP. It's called a Consumer Driven Plan because you are encouraged to be more involved in making decisions about your healthcare. Here are some highlights.

The plan is lower cost. Meaning, the premiums you are less than the Traditional plans. Preventive Care and certain generic drugs are covered at no cost. So, your annual physical, routine screenings, annual OBGYN visit and annual routine eye exams are covered at no cost to you. And certain generic drugs are also covered at no out of pocket cost.

All other medical services and prescriptions are subject to an annual deductible and coinsurance up to an out of pocket max, at which point everything is then covered at 100%.

Finally, what makes this plan unique is the built in HRA Choice Fund. The Choice Fund pays the first part of the deductible for you.

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The Choice Fund is technically an embedded Health Reimbursement Account or HRA, which is provided by SCHOOLCARE. It pays the first part of the deductible automatically for you. To activate the account each year, the subscriber must complete a health assessment at myCigna.com each spring. By completing the health assessment, a fund of \$1000 for single coverage or \$2000 for two person or family coverage is loaded onto your Cigna account. Biometric values are not required in the assessment and the results are not shared with anyone else. Any unused Choice Funds can rollover into the next year.

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Let's look at the summary of benefits. The first thing to note is the plan operates on Cigna's National Open Access provider network. This is Cigna's broadest nation-wide provider network. You do not need a referral to see a specialist and you are not required to designate a primary care provider.

All preventive care and certain generic medications are covered at no-cost.

The Choice Fund HRA is activated when the subscriber /employee completes a confidential health assessment at myCigna.com. This loads \$1000 or \$2000 onto your account each year. The Choice Fund pays the first portion of the deductible which is \$1250 for single coverage, \$2500 for two person or family coverage. Once the deductible has been met, you will then pay 20% of medical services and 10% of the cost of a prescription until the out of pocket is met for the year. That is \$2000 or \$4000 for single and two person or family coverage. Keep in mind that the Choice Fund HRA is covering half that amount for you, so your net out of pocket on the plan each year is \$1000 for single coverage or \$2000 for two person or family coverage.

Looking over the list of services, everything applies to the deductible, coinsurance up to the annual out of pocket max equation. There are some visit limits that apply each year, the same as other SCHOOLCARE plans. There are 60 combined limits for speech, physical and occupational therapy per person per year. 20 visit limit per person per year for chiro and 12 visit limit per person per year for acupuncture. Durable medical equipment and prescriptions apply to this equation as well. Let's look at how this all works!

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Here you have a "bucket of out of pocket costs" which we will use to illustrate how the plan works. This is an individual on the plan. At the lower left you see their deductible is \$1250. By completing the health assessment on myCigna.com in the spring, \$1000 gets loaded onto their account at Cigna to pay the first portion of their deductible. How does that work? When you go to the doctor because you are sick, the doctor submits a claim and the cost of the claim is deducted from the fund. At the pharmacy, you show your Cigna card, the pharmacy sends the claim to Cigna and the cost of the prescription is deducted automatically from the fund to pay for the prescription.

Once the \$1000 fund is expended, the individual has \$250 of deductible expense. At the doctor's office you would show your ID card and the doctors office would submit the claim to Cigna for processing. You would get a bill for the cost of the visit up to \$250. Same at the pharmacy. You would show your Cigna card, the pharmacy would send the claim to Cigna and you would be expected to pay for the cost of the medication.

The last tier is coinsurance. You will pay 20% of medical services and only 10% of the cost of a prescription, but no more than \$75 for an additional \$750 out of pocket. Once the fund has paid out \$1000, and you have paid out \$1000, you have met the out of pocket max of \$2000 for the year. At this point all services and prescriptions are covered at 100% for the rest of the year.

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This is the illustration for two-person or family coverage. The deductible is \$2500 for the

family. The subscriber (the employee) completes the health assessment and \$2000 is loaded onto the family's Cigna account. Again, charges for medical services and prescriptions would be covered by the HRA Choice Fund up to \$2000. Then the family has \$500 of deductible expense. So, you would receive a bill from a provider or pay at the pharmacy for a prescription. After the fund pays out \$2000 and you pay \$500, the family's deductible has been met and you start coinsurance. You will pay only 20% for medical services and 10% of the cost of a prescription but no more than \$75 for an additional \$1500 out of pocket. Once the out of pocket has been reached with the HRA Choice Fund paying the first \$2000 and the family paying a total \$2000, they are done for the year. All services and prescriptions will be covered in full for the rest of the year. Let's look at a scenario for an individual.

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This chart shows a scenario for an individual. Starting at the bottom we will work our way up. First a \$250 prescription is paid automatically from the HRA Choice Fund. A \$125 office visit is paid automatically from the fund. Next, X Rays and tests are \$750. The remaining \$625 is deducted from the HRA fund and you would get a bill for the \$125 balance. Another office visit is \$125. The fund is used up, so you will receive a bill. You may use a Flex Spending Account to pay for the out of pocket. The HRA Choice fund has paid out \$1000 and you have been charged \$250, which meets the deductible of \$1250. Now comes coinsurance. A \$125 office visit for which you will owe 20% so you will get a bill for \$25. A \$350 specialist visit will end up costing you \$70. A \$1200 prescription is 10% but no more than \$75 so that is what you will pay at the pharmacy. Another prescription for \$300 will cost you \$30 at the pharmacy. And a \$10,000 surgery is 20% up to your out of pocket max so you will receive bills totaling no more than \$550. The HRA Choice Fund paid \$1000 first. You have been charged a total of \$1000, you have now met the annual out of pocket of \$2000. The next \$350 specialist visit will cost you zero. A prescription refill will cost you zero. No more out of pocket for the rest of the year.

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Cigna makes it easy to keep track of your claims and out of pocket costs on myCigna.com and the myCigna mobile app. You can view the charges to the HRA fund, see your explanation of benefits to verify how much you owe for a medical visit and keep track of your prescriptions. You can also access the ***Good For You!*** wellness program on the site to earn incentive rewards for participating in wellness activities.

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We hope this webinar has been helpful in learning about the SCHOOLCARE Yellow plan with Choice Fund. If you have any questions, feel free to contact the SchoolCare office. Thank you!