

Orange Open Access Plan Overview

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Hello welcome to an overview of the SchoolCare orange open access plan. If you have any questions about the information in this webinar, please contact one of the individuals listed on this page.

Before we begin let's review some commonly used terms for the health plan. The first term is deductible. A deductible is the first part of coverage that must be paid out of pocket by the insured before the insurance plan starts to pay. After you meet the deductible then you have coinsurance. Coinsurance is when the insurance plan pays a percentage of the cost and you pay a percentage of a cost up to your out-of-pocket maximum. The out-of-pocket maximum is the sum of your deductible amount and your coinsurance amount, and it's the most that you would ever incur out-of-pocket in any given year.

Now let's review some information about the orange plan. First of all, the orange plan offers the same coverage and network as all other SchoolCare plans. The orange plan can be offered alongside the yellow plans. All your preventive care and certain generic drugs are covered at no cost to you, so your annual wellness screenings, annual physicals etc. Your annual eye exam as well as certain generic drugs would cost you no out-of-pocket. After that all your medical services and your prescriptions do apply to a deductible. Once the deductible has been met then you have coinsurance and you'll continue to pay coinsurance up to the out-of-pocket maximum.

One note about the orange plan is that it meets IRS requirements for a health savings account which is a financial account that you can set up to help pay for your qualified medical expenses.

Now let's review the orange plan in depth. First of all, the orange plan uses the same Cigna National Open Access network as all other SchoolCare plans. You do not need a referral to see a specialist and all your preventive care and certain generic drugs are no cost to you. Note that the maximum amount that an employer can contribute to your HRA is \$1,000 or \$2,000 in any year. Your deductible for an individual is \$2,000 and for 2 person and family coverage the deductible is \$4,000. Once you meet the deductible then you'll pay 20% of the medical charges and 10% percent of the cost of a prescription but no more than \$75 until you reach your out-of-pocket maximum.

Your out-of-pocket maximum for an individual is \$4,000. The out-of-pocket maximum for 2 person and family coverage is \$8,000. All your medical services, tests, labs, emergency room visits, x-rays, MRIs, hospitalizations, would all apply to the deductible. Specialty therapies such as speech, physical, and occupational therapy with a 60-visit combined limit also apply to the deductible. As well as

chiropractic visits of which there are 20 per year, acupuncture visits of which there are 12 per year, and your durable medical equipment and prescription costs.

Let's illustrate how this works. First, we'll look at an individual just 1-person coverage. They start off with a \$2,000 deductible for their medical expenses so when they go to see the doctor, they would simply show their ID card the doctor sends the claim to Cigna. They would end up with a bill for that service. If they go to the pharmacy, they would show their Cigna ID card at the pharmacy and then they would have to pay for their prescription at the register. Once they have reached 2,000 dollars in out-of-pocket expenses then they start coinsurance.

Coinsurance again is 20% of medical services and 10% of the cost of a prescription, but no more than \$75 for an additional \$2,000. Once they have spent a total of \$4,000, they've met their out-of-pocket maximum and all their medical care and the prescriptions etc. would be covered at no cost to them for the rest of the year.

And please note that they can set up their own HSA account in order to help pay for those out-of-pocket expenses.

And now 2 person and family coverage. All members of the family contribute to the deductible amount and coinsurance amount for the year. The family's deductible is \$4,000, so again their medical services and the prescription costs would apply to the first \$4,000 of deductible. Then the family has coinsurance of 20% of the medical charges, 10% of a prescription cost but no more than \$75 until they reach a total expenditure of \$8,000. Once they have met their out-of-pocket maximum then the family would have no more out-of-pocket expenses for the rest of the year.

Now we'll look at some additional information about health savings accounts or HSAs. An HSA is a financial account that you set up and own for your qualified medical expenses. It must be linked to a qualified high deductible health plan such as the SchoolCare orange plan. Funding can come from both the employee and the employer, and the funds that go into an HSA do so outside of payroll taxes. Any employer funding would be determined through a collective bargaining agreement or governance policy by the school district. In 2016 the IRS contribution limits are \$3,350 for an individual and \$6,750 for a family, and that's a total combination amount between the employee and the employer. There is an unlimited rollover from year to year of your HSA amount and the funds are yours the employees, and they can be taken with you if you retire or if you leave employment. Reimbursement of medical expenses from your health savings account can be done by a third-party administrator such as Benefit Strategies.

Now here's an example of how you can save some money in the coinsurance phase on your prescription drugs if you use the Cigna mail-order pharmacy program. On the Left you'll see a 3-month supply of a prescription. Each month

supply is \$400, however in the coinsurance phase you would only pay 10% or \$40 and that 3-month supply would then cost you \$120. The right side however if you use the Cigna home delivery pharmacy, you can get that same 3-month supply of \$400 prescriptions at only \$75 instead of the normal \$120. So, this provides a convenient and money-saving way to get your prescriptions.

You have several resources available to you if you have questions about your benefits. The first place you can check is with your benefits administrator or HR department at your SAU office. They can help you with enrollment forms and changing your coverage. Also enrolling in a flex spending account if it's applicable or help you set up a health savings account.

You can always contact SchoolCare for more information as well the SchoolCare website is www.schoolcare.org. You can contact Joann Trainer at the SchoolCare office as well as Jana Dalton who can assist you with questions about your coverage. And finally, you can contact Jeff Kantorowski at NEA New Hampshire and SchoolCare if you have questions related to your coverage or claims that may not have been resolved by contacting Cigna.

Thank you very much