



Kings Local Schools

Health Savings Accounts

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H.S.A. Plan Components

- High Deductible Health Plan (HDHP)
- Savings Account (HSA account)

The “HDHP”

- Anthem/CVS insurance plan
 - Uses same network as PPO
 - Covers same procedures and drugs as PPO
- No copays
- Deductible only
- Deductible: \$2,000 Single/\$4,000 Family (non-embedded)
- Coinsurance: 100% / 0%

What is an H.S.A?

- A bank account at American Fidelity created and owned by the employee.
- Opened only if the employee is enrolled in a “HDHP.”
- Helps you pay for certain qualified health care expenses on a tax free basis for you and your family.
- Earns interest and can be invested.
- Can be used as a savings and investment vehicle.

Funding the H.S.A

- School District Contributions:
 - \$1,000 Single
 - \$2,000 Family
 - Half deposited with first pay in January (1/7)
 - Half deposited With first pay in July (7/7)
- Employee Contributions
 - Employee contributions payroll deducted on a pre-tax basis
 - Direct Deposit
- Maximum Contributions 2016
 - \$3,350 per Single
 - \$6,750 per Family
 - Maximum amounts include employee and district contributions
 - Age 55 catch-up contribution \$1,000

HSA contributions are separate from HDHP premiums

What Expenses Can Be Paid With H.S.A Dollars?

- ✓ Deductible Expenses
- ✓ Prescription Medication
- ✓ Exams & Tests
- ✓ Dental
- ✓ Vision
- ✓ Cobra Premiums
- ✓ Long Term Care Premiums
- ✓ Premiums while on Unemployment
- ✓ Retiree Health Insurance Premiums

Who Cannot Open an H.S.A?

- Employee enrolled in another health plan that is not an HDHP.
- Any employee enrolled in a Section 125 Flex Spending Account (FSA).
- An employee who is enrolled in Medicare or Tricare.

What If You Misuse Your H.S.A Dollars?

- ✓ IRS audits and penalties
- ✓ 20% excise tax
- ✓ Income taxes applied

What Happens If I Leave or I Am Terminated?

- Your HSA is portable.
- You CAN continue to invest your money and draw interest on your balances
- You CANNOT make new contributions to the account unless you become enrolled in another high deductible health plan (HDHP)
- You CAN continue to make withdrawals for qualified expenses

H.S.A Claims Cycle

Who Do I Pay and How Much?

1. Medical Service
2. Provider Bill
3. Explanation of Benefits
4. Payment of Bill (Direct to Provider or Facility)
 - *When the bill matches the EOB*

What About Prescriptions?

- Show your Insurance Card
- Your card will show no co-pay is required
- The Pharmacist will enter your insurance information and the discounted carrier price will be automatically calculated
- Pay for your prescription with your HSA debit card

Transitioning Rx to the HSA

As of January 1, the HSA deductible will need to be met before claims are paid at 100% (except preventive claims).

Medical claims can be paid over time, but pharmacy claims must be paid at point of purchase.

To help ease the transition, if you are not on mail order we suggest you set up mail order for December, 2015. You will be able to get a 90 day supply for a two month copay, and you won't have to refill until February or March. At that point you may want to move back to a 30 day supply so you don't have to pay for 90 days at a time.

Please remember it can take several weeks to set up mail order, and you will need a 90 day script from your physician. Also, CVS will not send the 90 days until your 30 day supply is ready for a refill.

Cost of Rx under the HSA

As of January 1, you will be able to see the actual drug cost under the prescription tab in caremark.com.

Before January 1, ask your pharmacy for the retail cost of your prescription. CVS's cost will be about the same or less than retail, depending on their discounts.

Ask your pharmacy what CVS paid after your copay on your current PPO benefit. Some pharmacies readily share this information or print it on the receipt.

Contact the manufacturer for discounts and coupons.

The Explanation of Benefits or “EOB”

- Provides an accounting of medical and pharmacy claims
- The EOB specifically shows:

Health Plan Discount

What you owe to a provider

Deductible accumulators

- Use [Anthem.com](https://www.anthem.com) for instant access to your EOB

Cost Transparency - COMPASS

Available with the HSA plan option January 1

Contact Compass to help point you in the right direction:

- Unbiased doctor recommendations
- Medical cost and quality information
- Prescription costs and alternatives
- Bill reconciliation
- Complete guidance for your healthcare
- Insider information on saving money

Open Enrollment

Open Enrollment was in August/September for October 1

Open Enrollment is moving to January 1

Open Enrollment is October 19 – November 9

Changes are effective January 1, 2016

This is a permanent change for medical, dental and vision.

“HDHP” Premiums

Employee premiums payroll deducted on a pre-tax basis

MONTHLY Premiums

	Full Time Certified*	Full Time Classified*
Single	\$ 82.79	\$ 55.19
Family	\$191.89	\$127.93

* See Treasurer for part time premium rates.

2016 HSA Contributions

	Annual Board Contributions	Annual Deductible
Single	\$1,000	\$2,000
Family	\$2,000	\$4,000

IRS Maximum Contributions 2016 - includes Board contribution

Single	\$3,350
Family	\$6,750

Age 55 + Catch Up Contribution \$1,000 – Age 55 by 12/31/2016

QUESTIONS?