Which Health Plan is Right For You?

This enrollment season, you will have many choices to make about your benefits. One of the choices is what type of medical plan to select—a High Deductible Health Plan (HDHP) or a traditional PPO. In order to make an educated decision about which type of plan to select for you and your family, you need to weigh the **facts** and your **personal circumstances.** Let's start with reviewing the facts about the two plan types.

PPO (current medical plan option)

- A PPO is a "Preferred Provider Organization" plan. PPO plans allow you to visit whatever in-network provider you wish without a referral from a primary care physician.
- A PPO has higher premiums (the amount you pay from your paycheck), but the amount you pay at the doctor for a routine visit or for a prescription is usually a set copay amount.
- A PPO does have a deductible, but it is usually lower than the deductible on a HDHP. After you meet your deductible, your insurer starts paying a larger portion of charges, called coinsurance.
- Not all medical services have a co-pay. Some expenses you will pay for or pay a portion of until you reach your deductible. These include, but are not limited to: hospitalization and surgery, lab costs, MRIs, CAT scans, mental health costs, and physical therapy.

HDHP (2018 new medical plan option)

- An HDHP is a health insurance plan with lower premiums but a higher deductible.
- You do not pay a copay with an HDHP. Instead, you pay the entire amount for service until you have met your deductible. After you meet your deductible, your insurer starts paying a larger portion of charges, called coinsurance.
- An HDHP may allow you to have a HSA (health savings account) . This is a type of account into which you can contribute money on pre-tax basis to be used for approved medical expenses. You can put the premium savings from choosing an HDHP instead of a PPO into your HSA.
- An HDHP puts you in the driver seat. Since you are paying out of pocket for most services, you will want to make more educated decisions about where to go for care. You should stay in your providers network to get the best rates for service, and use online tools to compare costs for services and prescriptions.

Preventative care is covered at 100% on BOTH Plans. Preventative care includes your annual physical, well-woman, well-baby and well-child exams, mammography, colonoscopy and intervention for alcohol or substance abuse.

Health Care Accounts: Also consider during enrollment the benefits of a health savings account (HSA) or flexible spending account (FSA). By contributing to these accounts, you lower your taxable income, reducing the amount you pay in taxes each year. The money in these accounts can be used to pay for eligible medical expenses.

The total amount of an HSA rolls over from year to year, letting the funds accumulate all the way into retirement. Your account stays with you even if you change jobs. At SVH, you can rollover up to $500 of unused funds in an FSA, so be thoughtful about what you contribute each year.

If you choose to have an HDHP, you may want to consider putting some of the money you save on monthly premiums into an HSA, so that you have a balance to pull from when you have a doctors visit or an unplanned medical need.

Still have questions?
Attend a group meeting or schedule an appointment with a benefit counselor at **svh.mybenefitsappointment.com**

*This information being provided is for general educational purposes only. If you have specific questions about your benefits, please contact the human resources department.

Tell me more about the HDHP!

Make sure you choose the right plan!

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The High Deductible Health Plan (HDHP) is a new option for 2018 enrollment . An HDHP differs from a traditional PPO plan in that you pay all medical and prescription expenses until you meet the deductible. After that, you pay co-insurance until you meet the out-of-pocket maximum. While you may pay more out-of-pocket before benefits begin to apply with the HDHP, your per-paycheck contribution is lower than with the traditional PPO plans.

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What are the advantages?

Three advantages to participating in the HDHP are:

1. You pay lower contributions out of your paycheck.
2. You will be able to contribute to a Health Savings Account (HSA) to help pay for your out-of-pocket expenses.
3. Contributions to your HSA pack a triple tax savings punch: You do not pay taxes on the money that goes in to your HSA, any HSA interest earnings are tax-free, and any money withdrawn for qualified expenses is tax-free.*

How does it work?

Step 1: Contributions

- You contribute to your HSA.
- Contributions to your HSA cannot exceed the annual IRS maximum

Step 2: Until you meet your deductible

- You pay for 100% of medical expenses with HSA funds or out-of-pocket
- The plan pays for 100% of in-network preventive care

Step 3: Meet your Annual Deductible

Refer to your plan documents for your annual deductible.

Step 4: Then what?

- You pay coinsurance for medical expenses with HSA funds or out-of-pocket
- The plan pays the remaining costs

Step 5: If you meet your out-of-pocket Maximum

Refer to your plan documents for your out-of-pocket maximum.

Step 6: Then What?

- The plan pays for 100% of medical expenses
- Any unused funds in your HSA roll over to next year

*Tax benefits only apply when HSA funds are used for eligible medical expenses. This information being provided is for general educational purposes only. If you have specific questions about your benefits, please contact the human resources department.