

# State of Rhode Island 2017 Open Enrollment Choice Plus Plan with a Health Savings Account



What is a Health  
Savings Account (HSA)?

# CHOICE PLUS PLAN

with a HEALTH SAVINGS ACCOUNT (HSA)

## SAME FEATURES AS THE 2014 ACTIVE PLAN:

- Same Choice Plus National Network as the 2014 Active Plan
- You have the freedom to use any doctor or hospital you want.
- You save money when you use health care providers in the Choice Plus network because they've agreed to a lower negotiated contracted rate.
- You will have coverage if you receive care outside the network. However, you will likely pay more.
- You do not need to choose a primary care provider (PCP) but a PCP can be helpful in managing your care.
- See any doctor, including specialists, without referrals.
- Preventive Care is covered at 100% when using a UHC network provider

# Health Savings Accounts

**Health Savings Accounts (HSAs) are designed to help you save and pay for qualified medical expenses.**

- ✓ **It's a real bank account**  
You don't pay federal income tax on the money you deposit into it, and the money you use for qualified medical expenses. Your savings also grows tax free.
- ✓ **Owned by YOU!**  
The account belongs to you, so only you decide how to spend it.  
You can increase or decrease your HSA contribution amount at anytime.  
Money left in your account carries over from year to year.  
It remains yours even if you leave your employment or retire from the State of Rhode Island.
- ✓ **You can build savings for retirement**  
Anyone can contribute.  
No "use it or lose it" rule.  
You can invest savings.
- ✓ **The money is there when you need it for both current and/or future healthcare expenses**  
Use your HSA to pay at the pharmacy, doctor's office. Or save it, the money in your Health Savings Account is yours.

Investments are not FDIC insured, are not guaranteed by Optum Bank<sup>®</sup>, and may lose value.

# Optum Bank<sup>®</sup>, Member FDIC



**Optum Bank is the HSA Bank  
of choice for UnitedHealthcare**

Established in 2003

**Focuses solely on health  
care banking**

Deposits are insured by the FDIC up to \$250,000

**One of the nation's leading  
providers of health savings accounts**

We have more than \$5.2 billion in assets

**Serves thousands  
of employers, families and individuals**

We administer over 2 million individual  
health savings accounts



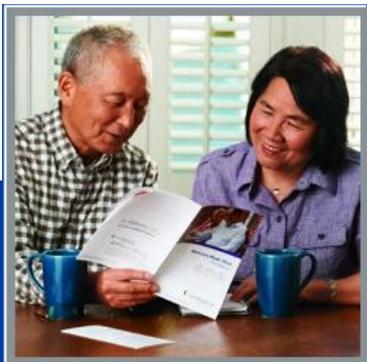
# HSA Eligibility

You are eligible to open and contribute to an HSA if:

- You are covered by an HSA qualifying high deductible health plan (HDHP)
- You are not covered by any other health plan that is not a high deductible plan
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You are not claimed as a dependent on someone else's tax return
- You are not covered by a General Purpose health care flexible spending account (FSA). You can still participate in a limited purpose FSA.
- You have not received Veterans Administration (VA) benefits within the past three months, except for preventive care. If you are a veteran with a disability rating from the VA, this exclusion does not apply.



# HSA qualified medical expenses



Medical plan deductibles and coinsurance



Medical, dental and vision care services and products



Use HSA dollars to pay for qualified medical expenses for your spouse or dependents

# Other HSA qualified medical expenses

Health coverage while receiving unemployment benefits

COBRA continuation coverage

Qualified long-term care

Medicare premiums and out-of-pocket expenses

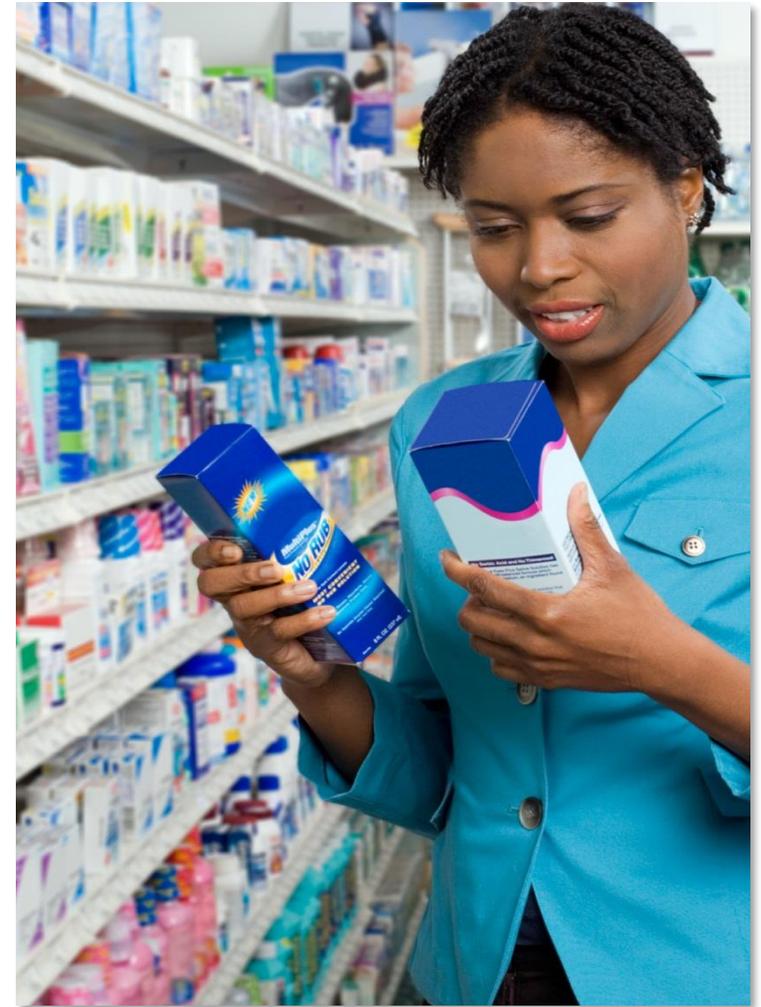


# Paying for non-qualified expenses

Any HSA funds used for purposes other than to pay for qualified medical expenses are:

- Taxable as income
- Subject to a 20% tax penalty\*

\* The 20% tax penalty does not apply to account holders age 65 and older, those who become disabled or enroll in Medicare



# HSA Contribution Limits

## Amount of funding

The IRS determines how much you can deposit into your HSA each year.

## Contribution rules

In 2017, the limit for individuals increase to **\$3,400** and the limit for families remains at **\$6,750**. The maximum allowable contribution includes the State's contribution as well as any contributions you choose to make.

## Additional funding

Those 55 years of age or higher, but not yet enrolled in Medicare, can fund an additional \$1,000/year "catch-up" contribution.

# HSA Deposit Options

Employer Contribution	State of RI HSA Contribution	<ul style="list-style-type: none"><li>• The State of RI will contribute \$1500 to your HSA if you elect single coverage and \$3,000 if you elect family coverage</li><li>• Contributions will be prorated twice annually with ½ the contribution being deposited on 1/1/17 and the other half on 7/1/17.</li></ul>
Employee Contributions	Payroll deduction	<ul style="list-style-type: none"><li>• Contribute enough through payroll deduction to cover your deductible. Payroll deductions are pretax and reduce your Federal, State and FICA tax.</li></ul>
	Mail a Check	<ul style="list-style-type: none"><li>• Deposit additional dollars into your account by April 15 of the current year in order to realize tax savings for the prior year</li></ul>
	e-Contribute	<ul style="list-style-type: none"><li>• Arrange a one-time or regular electronic transfer from an account at another financial institution</li></ul>

# How an HSA helps you save

- The money Steve puts into his HSA is **income tax-deductible**
- Any money Steve withdraws from his HSA to pay for **qualified medical expenses** is **withdrawn income tax-free**
- Steve may **earn interest** on his account, and it is not taxable
- The amount not spent during this year **carries over** for use in future years



# How much did Steve save?

1

In 2017, Steve will deposit \$6,750 into his HSA, the maximum contribution for family coverage

Steve's federal and state income tax and FICA savings for the year are **\$2,541\***

2

Steve will withdraw \$3,000 to pay for qualified medical expenses for himself and his family

Steve will **not** have to pay income taxes on the **\$3,000** as long as he uses it to pay for qualified expenses

3

Steve earns interest on his account

Steve does **not** have to pay income taxes on his interest

4

Steve will carry over \$3,750 HSA dollars (contributions – expenses + account earnings) into the next year

With a traditional plan, Steve wouldn't have this carryover option, which helps him save for the future

\* Assumes a 25% federal tax rate, 5% state tax rate and 7.65% FICA



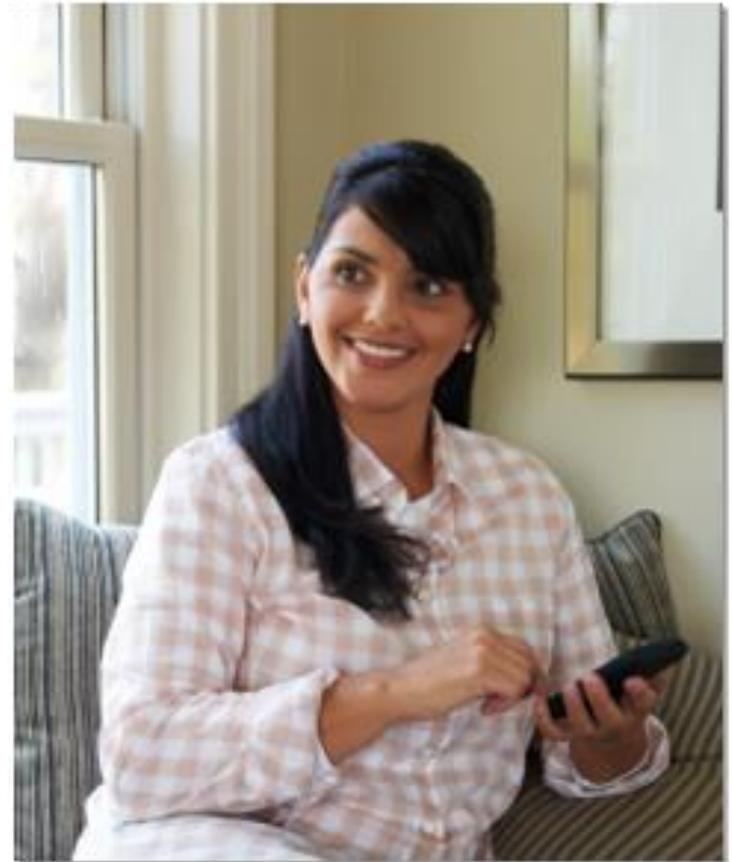
# Access your HSA funds

Use your Optum Bank® Health Savings Account Debit MasterCard®

Sign up for automatic bill pay and online banking

Use HSA checks for this account

Pay for an expense with personal funds and reimburse yourself from your HSA



# Managing your HSA online

- Check your balance
- Arrange deposits from another banking account
- Pay bills to health care providers
- Reimburse yourself for qualified medical expenses paid out-of-pocket
- Use HSA calculators
- Check the contribution tracker for YTD contribution amounts
- Use the convenient receipt vault
- Manage investment activities for your HSA

The screenshot displays the myuhc.com website interface. At the top, the myuhc.com logo is on the left and the UnitedHealthcare logo is on the right. Navigation links for Site Demo, Contact Us, Feedback, Login, and En Español are visible. The main content area features a 'myClaims Manager' section with a pie chart illustrating the components of a claim: 'PLAN DISCOUNTS' (pink), 'YOUR RESPONSIBILITY' (blue), and 'YOUR PLAN PAID' (green). A 'Learn More' button is present. To the left of the main content is a 'Site Login' form with fields for Username and Password, and a 'Login' button. Below the login form are links for 'Forgot your username or password?' and 'Need a username and password?' with a 'Register Now' button. A 'First Time Visitor?' section offers personalized benefit information. To the right of the main content is an 'Information Center' with 'News' and 'Learn More About' sections. The 'News' section includes links for 'This month's tip from The Dr. Oz Show: Summer Skin Safety', 'Information for members of New York health insurance plans: Surprise bills and out-of-network costs', 'Find a dentist in the network', and 'Required State Notices'. The 'Learn More About' section lists various services like 'UnitedHealth Premium® Designated Physicians', 'Health Insurance for those not covered by employer', 'Dental Plans for those not covered under an employer's plan', 'Short Term Health Insurance', 'Health Savings Account', 'Flexible Spending Account', 'Commuter Expense Reimbursement Account', and 'Medical & Reimbursement Policies'. On the far right, there are sections for 'Links and Tools' (Find Physician, Find a Dentist, Pharmacy information, Find a Form, Find Mental Health Clinician, Estimate Health Plan Costs) and 'Common Questions' (What browsers are supported?, What are the benefits of registering and having a username and password?, How do I register?, Do I need to re-register if my group number changes?, What if I don't have my ID card?, Is this website secure?, What accreditations and certifications has UnitedHealthcare received?). At the bottom, there are social media links for Facebook and Twitter, a 'CONFIDENTIAL SECURE' badge, a 'See our Privacy Policy' link, and a note about Adobe Acrobat Reader requirements.

# 2017 Employee Health Benefit Plan Options

# State of Rhode 2017 Medical Plan Choices

	Choice Plus Plan with an HSA	2014 Plan
Network	National Choice Plus	National Choice Plus
Health Savings Account (HSA) Qualified	Yes, and the State of RI contributes \$1,500 (Employee only) /\$3,000 (Family)	Not a qualified High Deductible Health Plan
Deductible – Medical (Employee only/Family)	\$1,500/\$3,000 (In-Network) \$2,250/\$4,500 (Out of Network)	\$250/\$500 (In-Network) \$500/\$500 (Out of Network)
Deductible – Pharmacy (Employee only/Family)	Combined with Medical	\$0
Total Out of Pocket Maximum - Medical (Employee Only/Family)	\$3,000/\$6,000 (In-Network) \$4,500/\$9,500 (Out of Network)	\$250/\$500 (In-Network) \$3,250/\$6,500 (Out of Network)
Total Out of Pocket Maximum - Pharmacy (Employee Only/Family)	Combined with Medical	\$6,350/\$12,700
Coinsurance	90% (In-Network) 70% (Out of Network)	100% (In-Network) 80% (Out of Network)
Preventive Care	Covered at 100% (In-Network) 70% after deductible (Out of Network)	Covered at 100% (In-Network) 80% after deductible (Out of Network)
PCP/Specialist Office Visit	90% after deductible (In-Network) 70% after deductible (Out of Network)	\$15/\$25 Co-Pay Per Visit (In-Network) 80% after deductible (Out of Network)
Mental Health & Substance Use Office Visit	90% after deductible (In-Network) 70% after deductible (Out of Network)	\$15 Co-Pay Per Visit (In-Network) 80% after deductible (Out of Network)
Virtual Visits	90% after deductible (In-Network only)	\$15 Co-Pay Per Visit (In-Network only)

# State of Rhode 2017 Medical Plan Choices

	Choice Plus Plan with an HSA	2014 Plan
Urgent Care	90% after deductible (In-Network) 70% after deductible (Out of Network)	\$50 Co-Pay Per Visit (In-Network) 80% after deductible (Out of Network)
Emergency Room	90% after deductible (In and Out of Network)	\$125 Co-Pay Per Visit (In and Out of Network) waived if admitted
Chiropractic/Manipulative Treatment – Limited to 12 visits per calendar year	90% after deductible (In-Network) 70% after deductible (Out of Network)	\$25 copay 80% after deductible (Out of Network)
Outpatient Rehabilitation – Speech, Physical, and Occupational Therapy	90% after deductible (In-Network) 70% after deductible (Out of Network)	100% after deductible 80% after deductible (Out of Network)
Lab/X-Ray – Preventive	Covered at 100% (In-Network) 70% after deductible (Out of Network)	Covered at 100% (In-Network) 80% after deductible (Out of Network)
Lab/X-Ray – Diagnostic	90% after deductible (In-Network) 70% after deductible (Out of Network)	Covered at 100% (In-Network) 80% after deductible (Out of Network)
Major Imaging (CT, PET , MRI) - Preventive	Covered at 100% (In-Network) 70% after deductible (Out of Network)	Covered at 100% (In-Network) 80% after deductible (Out of Network)
Major Imaging (CT, PET , MRI) - Diagnostic	90% after deductible (In-Network) 70% after deductible (Out of Network)	100% after deductible (In-Network) 80% after deductible (Out of Network)
Inpatient Hospital	90% after deductible (In-Network) 70% after deductible (Out of Network)	100% after deductible (In-Network) 80% after deductible (Out of Network)
Outpatient Hospital	90% after deductible (In-Network) 70% after deductible (Out of Network)	100% after deductible (In-Network) 80% after deductible (Out of Network)
Prescription Drugs administered by CVSHealth	\$7/\$25/\$45 after Deductible (Preventive medications are not subject to the deductible)	\$7/\$25/\$45

	Choice Plus Plan with an HSA	2014 Plan
<b>Where Short-term medications</b>	CVS Caremark retail network includes more than 68,000 participating pharmacies nationwide, including independent pharmacies, chain pharmacies and 7,500 CVS/pharmacy locations	CVS Caremark retail network includes more than 68,000 participating pharmacies nationwide, including independent pharmacies, chain pharmacies and 7,500 CVS/pharmacy locations
<b>Where Long-term medications</b>	At Mail Service or CVS/pharmacy up to 90 day-supply <u>OR</u> Any participating retail pharmacy by calling Customer Care to Opt-out (30-day supply copay will apply)	At Mail Service or CVS/pharmacy up to 90-day supply <u>OR</u> Any participating retail pharmacy by calling Customer Care to Opt-out (30-day supply copay will apply)
<b>Annual Deductible</b>	Individual: \$1,500 Family: \$3,000 (Medical & Rx Combined)	None
<b>Out-of-Pocket Maximum</b>	Individual: \$3,000 Family: \$6,000 (Medical & Rx Combined)	Individual: \$6,350 Family: \$12,700 (Rx only)
<b>Generic Medications</b> <b>Ask your doctor or other prescriber if there is a generic available, as these generally cost less</b>	Drugs on Preventive Therapy List :You pay the generic, preferred brand-name or non-preferred brand name copay even if you have not met your plan deductible. Short-term medications: \$7 copay Long-term medications: \$14 copay (90-day supply) Drugs not on Preventive Therapy List : You must met the deductible, then above copays apply	Short-term medications: \$7 copay Long-term medications: \$14 copay (90-day supply)
<b>Preferred Brand-Name Medications</b> <b>If generic is not available or appropriate, ask your doctor or other prescriber to prescribe from your plan's preferred drug list</b>	Drugs on Preventive Therapy List :You pay the generic, preferred brand-name or non-preferred brand name copay even if you have not met your plan deductible Short-term medications: \$25 copay Long-term medications: \$50 copay (90-day supply) Drugs not on Preventive Therapy List : You must met the deductible, then above copays apply	Short-term medications: \$25 copay Long-term medications: \$50 copay (90-day supply)
<b>Non-Preferred Brand-name Medications</b> <b>You will pay the most for medications not on your plan's preferred drug list.</b>	Drugs on Preventive Therapy List : You pay the generic, preferred brand-name or non-preferred brand name copay even if you have not met your plan deductible Short-term medications: \$45 copay Long-term medications: \$90 copay (90-day supply) Drugs not on Preventive Therapy List : You must met the deductible, then above copays apply	Short-term medications: \$45 copay Long-term medications: \$90 copay (90-day supply)
<b>Website</b>	Register at <a href="http://www.caremark.com">www.caremark.com</a>	Register at <a href="http://www.caremark.com">www.caremark.com</a>
<b>Customer Care</b>	1-800-307-5432	1-800-307-5432

# How the Choice Plus Plan with a HSA works

1

## Your deductible

- You will pay the full cost of your qualified medical and pharmacy expenses until you meet your deductible.
- You can choose to pay for care from your HSA or you can pay another way and let your HSA grow.
- Preventive medical care is covered at 100% in-network.
- The deductible does not apply to drugs on the Preventive Medication Therapy List, administered by CVSHealth.

1

### Your deductible

You choose to pay out of your pocket OR with your HSA

Preventive care is covered at 100% in-network.

# How the Choice Plus Plan with a HSA works

2

## Your coverage

- Your plan pays the major portion of your expenses, which is called coinsurance.
- You pay the rest.
- After the deductible, you will have copayments for prescription drugs, administered by CVSHealth.

1.

### Your deductible

You choose to pay out of your pocket OR with your HSA

2.

### Your coverage\*

Your plan pays 90%

+

You pay 10%

COINSURANCE

Preventive care is covered 100% in-network.

\*Coverage based on In-network level of benefits



# How the Choice Plus Plan with a HSA works

3

## Your out-of-pocket maximum

- You are protected from major expenses with an out-of-pocket maximum.
- Once you meet the out of pocket maximum, the plan will pay 100% of all remaining covered expenses for the rest of the plan year.
- Your deductible, coinsurance, and copayments go toward meeting your out of pocket maximum.

1.

### Your deductible

You choose to pay out of your pocket OR with your HSA

2.

### Your coverage\*

Your plan pays 90%

+

You pay 10%

COINSURANCE

3.

### Your out-of-pocket maximum

You are protected

When you reach your out-of-pocket maximum, the plan pays 100%.

Preventive care is covered 100% in-network.

\*Coverage based on In-network level of benefits



# How the 2014 Plan works

Bob has a family plan with a \$500 deductible and a \$500 out of pocket maximum for in-network medical services. His wife Carol and daughter Emily are covered under his family plan.

Bob has eight visits with a physical therapist in January and February. Each visit has a contracted rate of \$45. Since physical therapy services apply to the deductible, Bob pays a total of \$360 for the eight visits. The \$360 accumulates to the \$500 family deductible.

In March, Carol has knee surgery (Reconstruction of Torn Anterior Cruciate Ligament). The contracted rate of the surgery is \$8,367. Carol pays \$140 therefore the family deductible of \$500 and the out of pocket maximum of \$500 have now been met. The Plan pays the remaining \$8,227.

Carol has eight visits with a physical therapist in April and May. Each visit has a contracted rate of \$45. Since the family deductible and out of pocket maximum has been met, Carol has no out of pocket costs. The Plan pays 100% of the contracted rates. Total paid by Plan \$360.

For the remainder of the calendar year, since the family deductible and out of pocket maximum has been met, the Plan pays 100% of covered medical services. Bob, Carol, and Emily no longer have any out of pocket costs for medical services.