



# High Deductible Health Plan (HDHP)

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## Overview

A High-Deductible Health Plan, like the Advocate HDHP, generally have lower premiums and higher deductibles than traditional health plans. In addition, when you choose HDHP coverage, you can open a Health Saving Account which provides tax advantages in paying for eligible medical expenses.

The HDHP option:

- Has an annual \$2,000 single and \$4,000 family deductible.
- Has the lowest premium of all Advocate medical options.
- Provides 100% coverage for preventive care that is received from an Advocate provider or within the network.
- Provides prescription drug coverage:
  - Preventive drugs are not subject to the HDHP deductible. (A full listing may be found at [www.advocateinfoexpress.com](http://www.advocateinfoexpress.com), click on Advocate Benefits Online. Click on Prescription Drug Benefits in the menu on the left side of page, then Preventive Drug List.)
  - Non-preventive drugs, you pay 100% of the discounted cost of prescription drugs until you meet the annual deductible.
- Gives you the opportunity to open—on your own—a personal Health Savings Account (HSA) to make tax-deductible contributions for eligible medical expenses now and during retirement.
- You may set up your personal Health Savings Account with your choice of any bank, financial institution or investment firm that is registered to offer this type of account.
- You can make contributions to your HSA throughout the year or in a single lump sum.
- You can invest your account in any way provided through the bank, financial institution or investment firm that you choose to set up your account.
- You can carry over any money left in your HSA at the end of one year to your HSA for the next year. (So you won't forfeit unused dollars at the end of the year as you would under the "use it or lose it" requirement of a Flexible Spending Account.)
- With its investment growth and annual carryover features, you can use an HSA to accumulate funds today that you may need to pay medical expenses in the future... even after you retire.

## How the High Deductible Health Plan (HDHP) Works

1. You can choose to open a Health Savings Account on your own to pay for your medical expenses, or you can pay for expenses out of pocket. You may make tax-advantaged contributions up to \$3,000 for single coverage or \$5,950 for family coverage to an HSA in 2009. These contributions are tax-deductible.
2. During the year, you can use the HSA or pay out of pocket for eligible medical expenses.
3. After meeting the deductible, you pay 20% coinsurance until you reach the out-of-pocket maximum of \$2,000 for single coverage or \$4,000 for family coverage.
4. Once you reach the out-of-pocket maximum, all of your medical costs are covered at 100% by the plan.
5. If you open a Health Savings Account and have unused funds at the end of the year, they will carry over from year to year.

6. You can use the Health Savings Account to pay for eligible medical expenses now and throughout retirement tax free when you use the funds to pay for medical expenses.

### Using a Health Care FSA with the HDHP

As a participant in a HDHP, you are eligible to participate in a *limited purpose* FSA to pay for expenses not covered by the HDHP such as your out-of-pocket vision and dental expenses.

### Highlights of the HDHP

Features	Advocate	In-Network	Out-of-Network
<b>Deductible</b>			
Single	\$2,000	\$2,000	\$3,000
Associate + Child(ren)	\$4,000	\$4,000	\$6,000
Associate + Spouse	\$4,000	\$4,000	\$6,000
Family	\$4,000	\$4,000	\$6,000
<b>Out-of-Pocket Maximum</b>			
Single	\$2,000	\$2,000	\$5,000
Associate + Child(ren)	\$4,000	\$4,000	\$10,000
Associate + Spouse	\$4,000	\$4,000	\$10,000
Family	\$4,000	\$4,000	\$10,000
<b>Preventive Care</b>	100% covered	100% covered	40%
<b>Office Visits</b>	20%	20%	40%
<b>Lab and X-Rays</b>			
Doctor's Office	20%	20%	40%
Lab*	*10%	20%	40%
PET, CT, MRI*	*10%	20%	40%
<b>Emergency Room Visits</b>	10% after \$100 copayment	20% after \$100 copayment	40% after \$100 copayment
<b>Hospitalizations</b>			
Inpatient*	*10%	20%	40%
Outpatient*	*10%	20%	40%
<b>Behavioral Health (care must be precertified)</b>			
Inpatient	*10%	20%	40%
Outpatient	*10%	20%	40%
<b>Lifetime Maximums</b>	Unlimited*	\$1,000,000	\$1,000,000

All benefits except preventive care are subject to the deductible first.

\*Advocate facility charges only

### Prescription Drug Benefits

The HDHP provides prescription drug coverage under the Advocate Prescription Drug Program. The HDHP covers most preventive drugs at 80%—not subject to deductible. To see if your preventive medication is

included, you may go to [www.advocateinfoexpress.com](http://www.advocateinfoexpress.com) for a comprehensive listing or call (800) 775-4784. For other drugs, once you meet the annual deductibles, coinsurance applies to prescriptions filled at Caremark pharmacies. Benefits are provided for prescription drugs purchased at retail pharmacies in the Caremark network or through Caremark's mail order program. To find a pharmacy in the Caremark network or use the mail order program, go to [www.caremark.com](http://www.caremark.com).

You can pay for prescriptions with your Health Savings Account or out of pocket until you reach the deductible. After meeting the deductible, coinsurance will apply.

Prescription Drug Benefit Costs		
Type	Retail (up to 30-day supply)	Mail (up to 90-day supply)
<b>Generic</b>	20% after deductible	20% after deductible
<b>Preferred Brand Name</b>	20% after deductible	20% after deductible
<b>Non-preferred Brand Name</b>	20% after deductible	20% after deductible

### Things to Consider When Choosing The HDHP Option

- You are comfortable with, and have the ability to pay for, 100% of out-of-pocket expenses until you reach the deductible.
- You want to pay less in premiums than you would with the other Advocate medical options.
- You want to lower your taxable income and pay less in taxes each year by opening a Health Savings Account and making tax-deductible contributions.
- You want to use a Health Savings Account to save and pay for medical expenses tax-free during retirement.

### Key Terms

**Aggregate Family Deductible** — If you elect associate + 1 or family coverage under the HDHP, this plan will pay no benefits — other than for preventive services — until eligible expenses incurred by you and all of your covered family members for services received from network providers reach the \$4,000 family deductible.

**Health Savings Account (HSA)** — This is a new type of personal account that you can fund each year with tax-favored dollars, then use this money to pay eligible

medical expenses using tax free dollars. Only people who are enrolled in a high-deductible health plan can participate in an HSA.

*High-Deductible Health Plan* — This is a new type of medical coverage offering PPO-style coverage that features higher deductibles and lower associate contributions and, for those who elect this coverage, the opportunity to open a personal HSA.

## HDHP Q&A

### *Q. Is the High-Deductible Health Plan (HDHP) right for me?*

A. Only you can decide. However, it is important that you understand — if you choose this coverage option — that the plan will pay no benefits other than for preventive services until you meet the applicable annual deductible — \$2,000 if you elect individual coverage, \$4,000 if you elect associate+1 or family coverage.

### *Q. If I choose HDHP coverage, do I have to participate in a Health Savings Account (HSA)?*

A. No. The decision to participate in an HSA is completely up to you.

### *Q. Why would I want to consider HDHP coverage?*

A. There are two reasons. First, you will pay lower associate contributions for this coverage (because this coverage option has higher annual deductibles than the Advocate-sponsored PPO/DRP Medical option). Second, by choosing HDHP coverage, you may participate in a Health Savings Account.

### *Q. If I choose HDHP coverage now, will I be able to elect coverage under a different medical option in the future?*

A. Yes. During any subsequent Benefits Enrollment — or if you experience a qualified work, family or life status change — you will be able to elect, change or waive coverage, as you choose.

### *Q. What does it mean that the HDHP family deductible is an aggregate deductible?*

A. If you choose associate + 1 or family coverage, the plan will pay no benefits — except toward the cost of preventive services — until your eligible expenses meet the annual family deductible (\$4,000 for services received from network providers).

## HSA Q&A

### *Q. Is a Health Savings Account (HSA) right for me?*

A. That's something only you can decide. However, if you elect HDHP medical coverage, participating in an HSA will enable you to receive tax free reimbursement for eligible medical expenses that apply against your HDHP deductible.

### *Q. Can I participate in an HSA even if I don't elect HDHP coverage?*

A. No. You can participate in an HSA only if you elect coverage under the High-Deductible Health Plan.

### *Q. How much can I contribute to an HSA each year?*

A. Each year you can contribute an amount equal to your annual deductible under the HDHP — \$2,000 if you elect single coverage or \$4,000 if you elect associate + 1 or family coverage. If you are age 55 or older, you can make an additional catch-up contribution of \$1,000 in 2009.

### *Q. If I want to open an HSA, what should I do?*

A. You will need to find a bank, financial institution or investment firm that is registered to offer this type of arrangement. You might start by talking with a representative from your local bank. In any case, you should carefully evaluate the services and related fees of any bank, financial institution or investment firm you consider.

### *Q. What are the types of options in which I will be able to invest my HSA?*

A. That will depend on who you select to manage your account. Investment options (and applicable fees) will vary from one bank, financial institution or investment firm to another.

### *Q. Will the investment earnings in my account be tax free?*

A. Yes. Any earnings on your account will be tax free as long as you use this money to pay qualified medical expenses. If you use them for another type of expense, this money will become taxable income.

**Q. *Can I participate in both an HSA and a Health Care Flexible Spending Account (FSA)?***

A. Yes. However, any medical expenses you incur that are eligible for coverage under the High-Deductible Health Plan (including expenses for prescription drugs) will not be eligible for reimbursement through your Health Care FSA. The only health care expenses you will be able to submit for reimbursement through your Health Care FSA will be those which are not eligible for coverage under the HDHP and which are eligible expenses under the Health Care FSA (including expenses for vision care, orthodontia, and certain over-the-counter medications).

**Q. *How do I get my money out of my HSA?***

A. It depends on the bank, financial institution or investment firm you choose to manage your account. Typical methods include personal checks, debit cards, withdrawal slips or online disbursements. Each bank, financial institution or investment firm will have its own fee schedule for these types of services, and will likely assess a monthly service charge as well.

**Q. *How does an HSA differ from a Health Care FSA?***

A. With an HSA, you control the money in your account, the money in your HSA can earn an investment return (as long as your account meets any applicable minimum balance requirements), and you can roll over any remaining balance in your account at the end of the year.

**Q. *Will I be able to change my HSA contributions during the year?***

A. Generally, yes. You can change your HSA contributions as often as allowed by the bank, financial institution or investment firm you choose to manage your account. You should check with the bank, financial institution or investment firm for details and for any specific rules that may apply.

**Q. *How will I keep track of my HSA balance?***

A. The bank, financial institution or investment firm you choose to manage your account will review the various ways it can make your information available to you. These may include a monthly personalized statement, quarterly update or online account access.

**Q. *What will happen to the money in my HSA if I choose a different medical option in the future?***

A. It will remain deferred in your account until you elect to receive it. It is your obligation to report this money to the IRS if you use it for purposes other than a high-deductible health plan.

**Q. *What will happen to the money in my HSA if I leave Advocate?***

A. The money in your HSA is a personal asset of yours, just like any other checking or savings account you may own. Leaving Advocate will have no impact on the money in your HSA.

**For More Information**

More details are available online on the Benefits Pages at [www.advocateinfoexpress.com](http://www.advocateinfoexpress.com) then click on Advocate Benefits Online. Click on Medical in the menu on the left side of the page, then HDHP.

Specific questions can also be directed to Advocate InfoExpress at (800) 775-4784.