

2017 Open Enrollment Presentation  
For  
Professional and Administrative  
Excluded Staff



# Agenda

- Review Medical Options Effective 1/1/2017
- Review New Qualified High Deductible Health Plan (QHDHP) Option
  - What is a QHDHP?
  - What is a Health Savings Account?
  - How does it work?
  - YSU HSA contributions and Employee Premiums for QHDHP
  - Benefit Summary Comparison
- Medical Mutual Programs and Services
- PNC Bank – Our Health Savings Account Partner



# Your Medical Plan Options for 1/1/2017

- YSU is now offering two medical options to the Professional and Administrative Excluded Staff- Both offered through Medical Mutual.
    - Provides employees a choice of plans that best meet your needs
    - Helps attract and retain top talent
    - Provides opportunity for lower premium payments
  - You may choose to remain enrolled in the current PPO Plan – No changes
- OR
- You may choose to enroll in the new QHDHP option



# What is a Qualified HDHP?

- A QHDHP is governed by the IRS and needs to meet certain parameters to make it “Qualified” – meaning eligible for the enrollee to open up a Health Savings Account (HSA)
  - There are minimum deductible requirements
  - There are maximum out of pocket limits
  - Pharmacy expenses must be subject to the deductible

# What is a Qualified HDHP?

## Deductible minimums

- For 2017, the minimum deductible is \$1,300 single and \$2,600 family
- All expenses (medical/pharmacy) are subject to a common deductible before the plan begins to pay. (If the single deductible is less than \$2,600, the family deductible must be collective)
- Preventive care can be covered at 100% prior to deductible being met

## Out-of-pocket maximums

- For 2017 the sum of the plan's annual deductible and other annual out-of-pocket requirements (other than premiums) cannot exceed \$6,550 single and \$13,100 family.

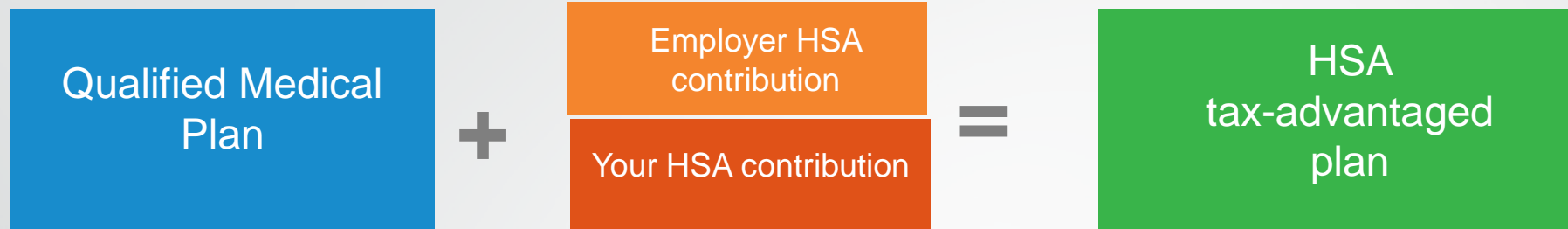
## 100% coverage once out-of-pocket met

- Once/If the out-of-pocket maximum is met, the plan pays 100% for covered medical/pharmacy expenses

# What is a Health Savings Account?

- A health savings account (HSA) is a tax-advantaged medical savings account available to taxpayers in the United States who are enrolled in a qualified high-deductible health plan (QHDHP).
  - Both Employer and Employee may contribute to the account
  - Tax advantaged contributions
  - Tax advantaged withdrawals for qualified medical expenses
  - IRS does impose limits on the maximum amount of contributions per year

# What is a Qualified HDHP?



- A health plan that provides coverage for qualified medical/pharmacy expenses and allows you the option to save HSA dollars on a tax-advantaged basis.
- Your employer may contribute and you can too.

**Because HSAs offer special tax advantages, the IRS puts annual limits on the maximum amount that can be contributed to the account.**

- The total 2017 annual contribution limit for employee + employer is:
  - \$3,400 single coverage
  - \$6,750 family coverage
- Age 55 or older:
  - Maximum contribution increases by \$1,000 (considered a “catch-up” contribution)
- Employee and employer money (if any) deposited into the HSA is generally not taxable

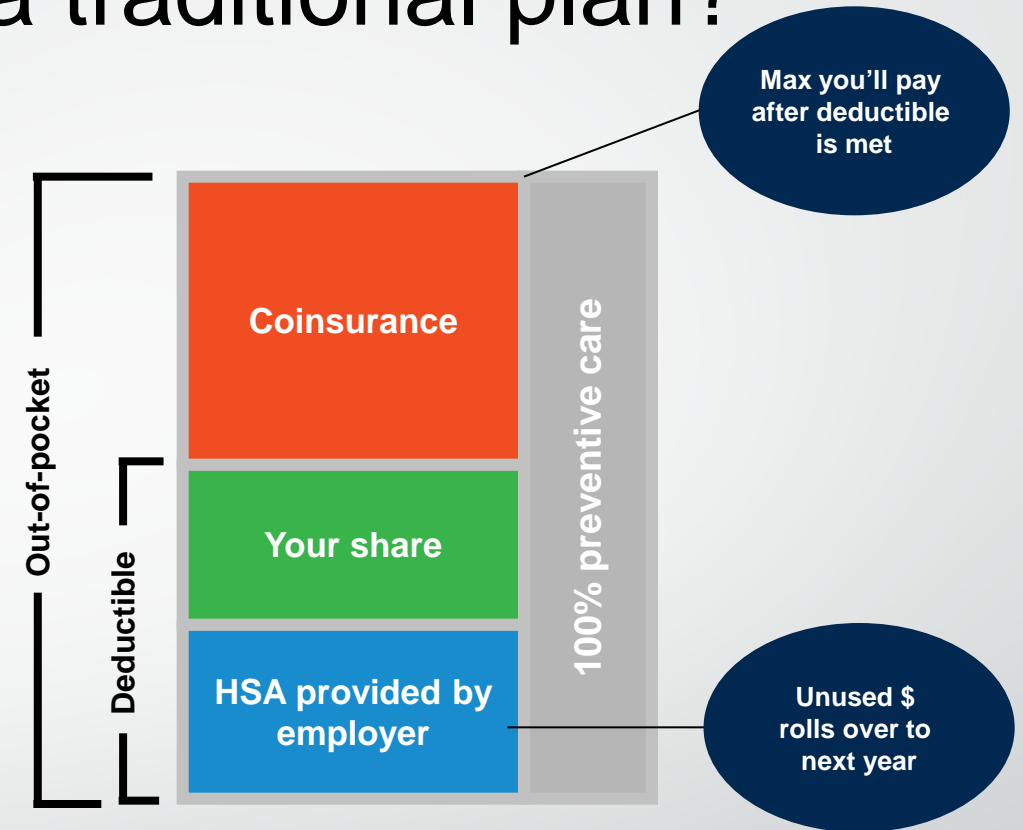
# How is this different from a traditional plan?

## Same

- Wide choice of doctors/hospitals
- Preventive care covered at 100%
- Plan begins to pay after deductible is met
- Covers routine, emergency and catastrophic care
- Plan pays percentage of bill for covered out-of-network care
- Plan pays higher percentage for covered in-network care
- Health Carrier receives bills, sends payment to doctors/hospitals

## Different

- Generally lower premium but higher deductible
- Plan begins to pay after deductible is met; however, funds in your HSA can be used to cover eligible health expenses such as the deductible
- **Unused HSA money rolls over to next year**
- **H S A dollars are 100% owned by the individual**





# Triple tax advantages of an HSA

## Contributions

- Payroll deduction contributions are pretax\*
- After-tax contributions can be deducted when you file your tax return

## HSA account growth

- Interest earned on your cash account is generally not taxable\*
- Investment earnings on mutual funds are generally not taxable\*

## Withdrawals

- Withdrawals to pay qualified health care expenses are tax-free
- Withdrawals for ineligible expenses are taxed and you pay a 20% penalty
- At age 65, withdraw funds for any reason with no penalty (taxes do apply)



\* HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. A few states do not allow pretax treatment of contributions or earnings: Alabama, California, New Hampshire, New Jersey and Tennessee.

# What are qualified health care expenses?

## Examples of qualified health care expenses\*

- Deductibles and out-of-pocket costs for medical and dental care
- Prescriptions
- Vision care, including glasses and LASIK eye surgery
- Smoking cessation treatment and prescriptions
- Family planning procedures
- Chiropractic services
- Some insurance premiums, such as long-term care, COBRA and health care coverage premiums while receiving unemployment compensation

## Examples of nonqualified health care expenses

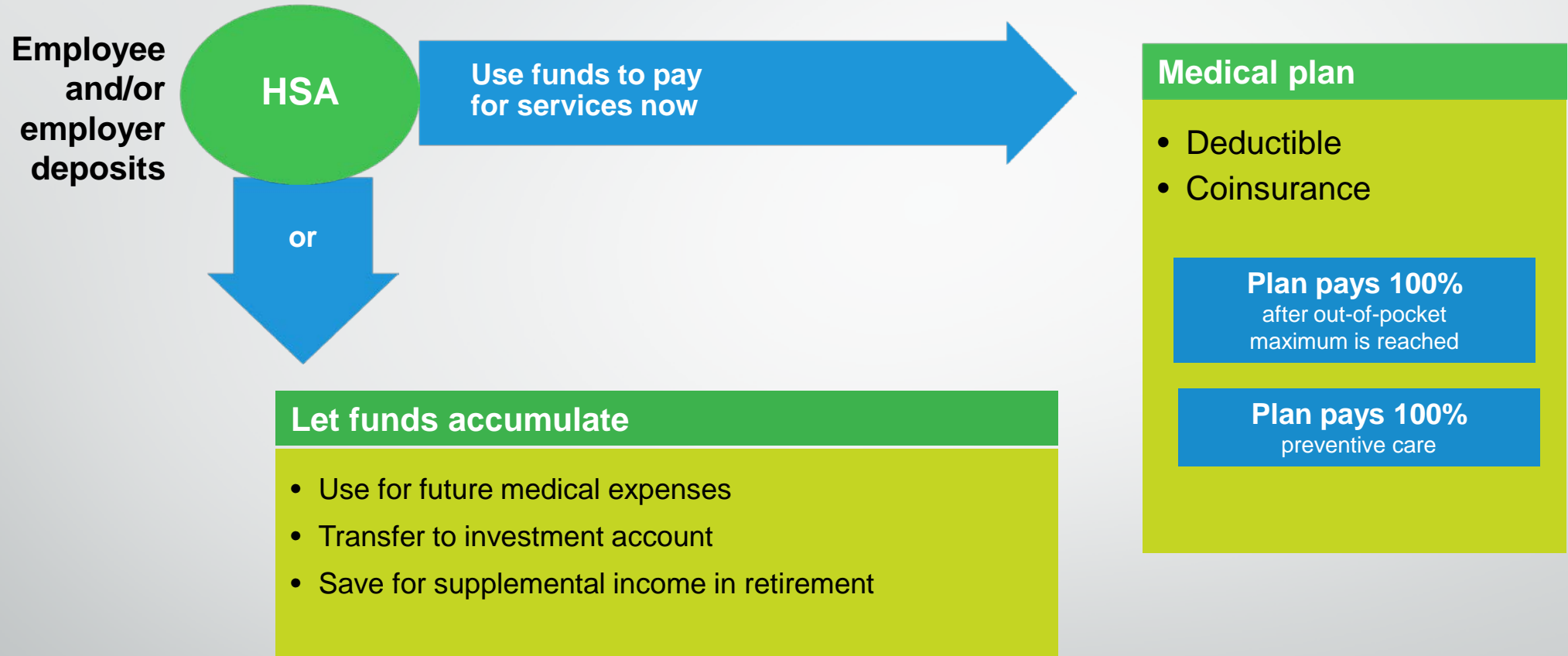
- Air purifiers
- Cosmetic surgery and related expenses
- Health club dues (unless prescribed by physician to treat illness)
- Illegal operations and treatments
- Massages for general well-being
- Premiums for health care coverage
- Transportation (unless specifically for and essential to medical care)
- Toothpaste, cosmetics and toiletries
- Vitamins and nutritional supplements
- Weight loss programs (unless for a specific illness)

Qualified health care expenses are determined by the IRS

\* This is not a complete list. For a detailed list, visit the IRS website at [www.irs.gov](http://www.irs.gov) and see Publications 502 and 969 for additional information.



# You choose how to use your HSA dollars



# Why Do Some People Choose HSAs?

- **Control.** You control how you spend the money in your account
  - Use it for qualified medical expenses today
  - Save it for the future
- **Portability (It's Yours).** You keep the money in your account, even if you change health care coverage, change jobs, or retire
- **Tax advantages.** Only HSAs allow tax-free withdrawals at any time or age to pay for medical expenses
- **Retirement Savings.** Catch-up contributions of \$1,000 if age 55 or older increase saving power

# YSU HSA Contributions and Employee Premiums for 2017

## YSU HSA Contributions

- For single coverage, contribution will be \$750 + an additional \$250 for 2017!
- For all other coverage levels, contribution will be \$1,500 + an additional \$500 for 2017!
- Contributions will be made quarterly during the first month of each quarter (January, April, July, October) – to actively employed participants enrolled in the HDHP.

**AND**

## Premium Contributions for HDHP

- Employee premium contributions for the HDHP will be 25% LESS than current contributions for the PPO plan (applies to all coverage levels).



# HDHP Vs. PPO Plan Comparison

Benefit Provision	HDHP		PPO Plan	
	Network	Non Network	Network	Non Network
Deductible-Single	\$2,600	\$3,100	\$250	\$425
Deductible-Family	\$5,200	\$6,200	\$500	\$950
Coinsurance	100%	60%	90%	70%
Out of Pocket(including Ded, Excluding medical and RX Copays)				
Single	\$2,600	\$7,600	\$1,175	\$2,425
Family	\$5,200	\$15,200	\$2,225	\$4,950
Maximum-Out-Of-Pocket (MOOP- includes all medical and RX copays)				
Single	\$6,550	Unlimited	\$6,600	Unlimited
Family	\$13,100	Unlimited	\$13,200	Unlimited
Office Visit Copay	Ded then Coinsurance	Ded then Coinsurance	\$15 copay	Ded then Coinsurance
Specialist Visit	Ded then Coinsurance	Ded then Coinsurance	\$15 copay	Ded then Coinsurance
Preventive Care	100%- No Deductible	Ded then Coinsurance	100%	Ded then Coinsurance
Emergency Room	In Network Ded then Coinsurance		\$75 copay	
<b>Prescription Drug (Retail/Mail)</b>				
Deductible-Single	Combined with Medical		Not Applicable	
Deductible-Family	Combined with Medical		Not Applicable	
Generic	Ded, then \$4/\$10		\$4/\$10	
Preferred Brand	Ded, then 25%(max of \$30)/ 25%(max of \$60)		25%(max of \$30)/ 25%(max of \$60)	
Non-Preferred Brand	Ded, then 25%(max of \$70)/ 25%(max of \$175)		25%(max of \$70)/ 25%(max of \$175)	
<b>YSU H.S.A Contribution</b>				
Single	\$750 + additional \$250 for 2017		Not Applicable	
Family	\$1500 + additional \$500 for 2017		Not Applicable	

This is a summary of benefits: Plan will be governed by MMO certificate of coverage



# Medical Mutual Member Benefits

- My Health Plan
- Claims & Balances
- Benefits & Coverage
- Resource & Tools
- Healthy Living
- Additional Offers



# My Health Plan

## Gain more control of your health with My Health Plan

- Secure website specifically for Medical Mutual members.

The screenshot displays the Medical Mutual My Health Plan dashboard. At the top, there is a navigation bar with the Medical Mutual logo, a 'Dashboard' link, and several dropdown menus: 'Claims & Balances', 'Benefits & Coverage', 'Resources & Tools', 'Healthy Living', and 'My Profile'. There are also 'Logout' and 'Contact Us' links. Below the navigation bar, the main heading is 'My Health Plan'. A 'Hello' greeting is followed by a 'Viewing:' field and a 'Benefit Period:' of 'January 1st through December 31st'. The dashboard is divided into several sections: 1. 'Deductible & Coinsurance (In Network)': Shows a deductible of \$1501 out of \$2600 and a coinsurance of \$0 out of \$900. 2. 'Claims Snapshot (Most Recent)': A table with columns 'DATE', 'TYPE', and 'CLAIM #'. 3. 'Cost Estimator': A section with a magnifying glass icon and a 'Launch Now' button. 4. 'Health Assessment Score': A score of 96 out of 100. At the bottom, there is a 'Quick Links' section with icons for 'Find a Provider', 'Interactive Health Education', 'Health Assessment', and 'My Care Compare'. A 'Feedback' link is visible on the right side of the dashboard.

DATE	TYPE	CLAIM #
10/19/2016	Medical	
10/18/2016	Prescription	
10/18/2016	Prescription	
10/18/2016	Prescription	
10/17/2016	Prescription	





# My Health Plan

- **Claims & Balances**
  - View and sort claims by date of service, dependent name and more
  - See detailed information about deductibles and coinsurance
  - Learn how to understand your EOB statements



# My Health Plan

- **Benefits & Coverage**

- View your plan details, including your Summary of Benefits and Coverage (SBC), maximums and coinsurance
- Order member identification (ID) cards



# My Health Plan

- **Resource & Tools**

- **Find a Provider** - Search for a network provider by name, specialty, gender, language spoken, hospital affiliation or specific practice
- **My Care Compare** – Use this valuable tool to compare providers, facilities and costs for a variety of medical services to help lower your out-of-pocket expenses
- **Where Should I Get Care?** – Learn when to visit the ER and when urgent care and convenience clinics are better options
- **Interactive Health Education** – Find more than 200 audio and video programs that provide information about medical conditions and treatment options
- **Health Resource Center** – Increase your health knowledge through interactive tools and quizzes



# My Health Plan

- **Healthy Living**
  - **Disease Management & Maternity Programs**
    - Pregnancy
    - Asthma
    - Chronic obstructive pulmonary disease
    - Chronic or musculoskeletal pain (tension headaches, migraine headaches, fibromyalgia, back pain)
    - Congestive heart failure
    - Coronary artery disease
    - Depression
    - Diabetes



# My Health Plan

- **Additional Offers**

- **Weight Watchers® Reimbursement** – Receive up to \$150 per calendar year
- **Tobacco QuitLine Program** – Coaching, education and nicotine replacement therapy
- **Online Health Assessment** – Helps you identify your risk of chronic conditions
- **Discounts** – Available on drugstore items and other health-related products
- **24-Hour Nurse Line** – Get answers to answer your health questions from a clinical expert



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## **PNC BeneFit Plus**

### **Health Savings Account (HSA)**

Presented to:

**Youngstown State University**

# What is an Health Savings Account?

An HSA is a personally owned account designed to help you save money on qualified medical expenses

- Contributions are **tax-deductible**
- Interest earning and/or investment gains are **tax exempt**
- Distributions are **tax-free** when used to pay for qualified medical expenses



- **Portable** – Stays with you when you leave an employer or retire
- No “**use-it-or-lose-it**” requirement; balances roll over year-to-year like a 401(k) and can be saved to pay for future expenses

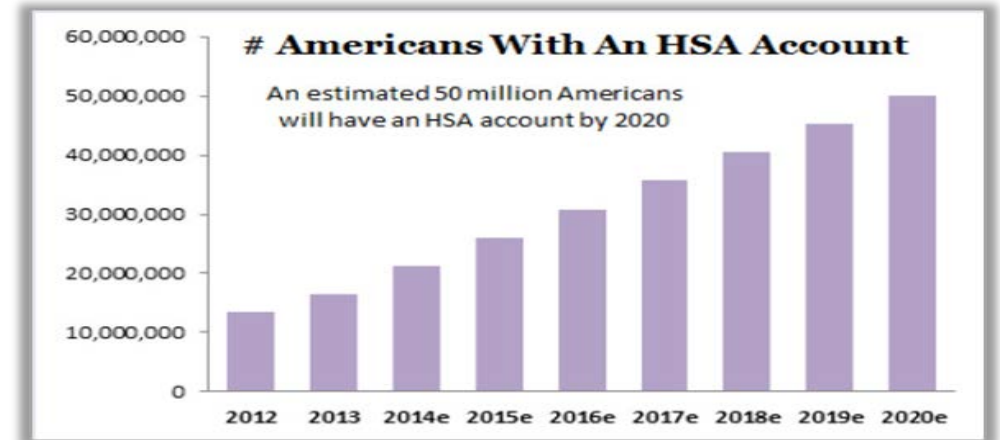
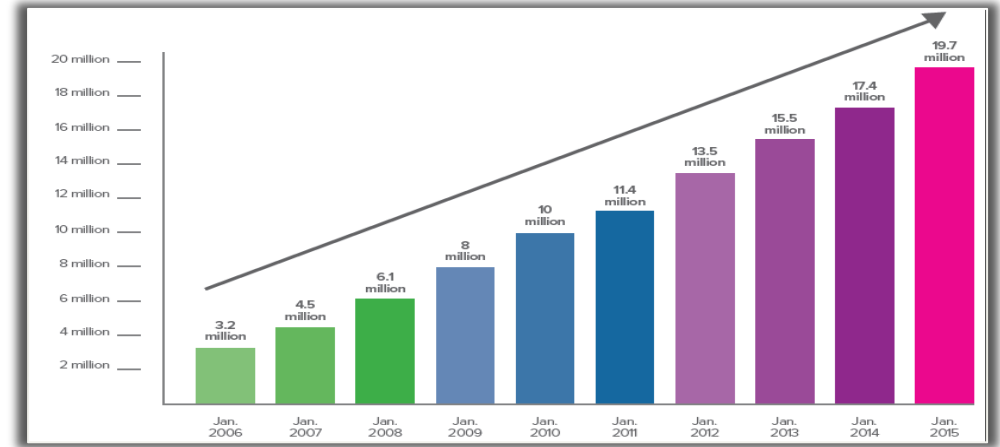
# Did You Know?

HSAs have been around since 2004.

The number of HSAs has nearly doubled over the past five years.<sup>1</sup>

An estimated 50 million Americans will have an HSA by 2020.<sup>2</sup>

**Growth of HSA-Qualified HDHP Enrollment Covered Lives (Millions), March 2005 to January 2015\***



1 AHIP Center for Policy and Research, 2005-2015 HSA/HDHP Census Reports.

2 Interpro Publications Inc., a specialized newsletter publisher in Washington D.C. making estimates of HSA Markets since 2001.



# Who Is Eligible for an HSA?

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Any individual can open and make contributions to an HSA, if they meet all of the following requirements:

- Covered by a High-Deductible Health Plan (HDHP)
- Not covered by other health insurance
- Not enrolled in Medicare
- Not claimed as a dependent on someone else's tax return
- Not enrolled in a Healthcare Flexible Spending Account (FSA)



2017 IRS Limits	Single Plan	Family Plan
Maximum Contribution Limit	\$3,400	\$6,750
Minimum Deductible	\$1,300	\$2,600
Maximum Out-of-Pocket	\$6,550	\$13,100
Catch-up Contribution (55+)	\$1,000	\$1,000

**Note:** Be sure to review applicable IRS eligibility requirements before enrolling

# Common HSA Myths

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## **#3 HSA Myth: They're only for the young and healthy**

**False:** HSA enrollment is nearly equal across age groups. 52% of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 48 percent were under age 40<sup>1</sup>.

## **#2 HSA Myth: HSAs are joint accounts owned by an individual and his/her spouse**

**False:** HSAs are never owned by more than one person even though the money in an individual's HSA may be used to pay for the qualified expenses of the accountholder's legal dependents or spouse.

**Important Note:** Those dependents or spouse do not need to be enrolled in the accountholder's HDHP

# Common HSA Myths

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## **#1 HSA Myth: If I don't use my HSA funds, I will lose it at year end.**

**False:** HSAs, by design, are intended (and encouraged) to rollover year-to-year. Unlike the FSA, there is no "Use it or Lose it" provision.

For example, if you save \$3,000 for 10 consecutive years starting with age 30, you'll have \$175,000 by age 65, assuming you invest and earn 6% annually<sup>1</sup>.

**Important Note:** There is no time limit in which you need to reimburse yourself for any qualified medical expenses you paid out-of-pocket.

# PNC BeneFit Plus: Complete Account Management

The dashboard features the PNC logo and 'PNC BeneFit Plus' header. It includes a navigation menu with 'Home', 'Expense Tracker', 'Accounts', 'Tools & Support', 'Statements & Notifications', and 'Profile'. A 'Welcome to PNC BeneFit Plus!' message is displayed with a background image of a hiker. Below the welcome message, there are links for 'Start building your financial health today. View More', 'Message Center', and 'Quick View'. On the left, there are buttons for 'I Want To...' actions: 'Make HSA Transaction', 'Manage Investments', and 'Manage My Expenses'. Below these are 'Available Balance' sections for 'Health Savings Account' (Cash Account: \$1,960.00, Investment Account: \$1,106.58) and 'Accounts'.

The 'Tools & Support' section is divided into three columns: 'Documents & Forms', 'How Do I?', and 'Quick Links'. 'Documents & Forms' includes links for 'Forms' (Automatic Orthodontia Request Form, HSA Contribution Form, HSA Death Beneficiary Form, HSA Death Distribution Form, HSA Direct Rollover/Transfer Request Form, HSA Distribution Request/Account Closure Form, PNC BeneFit Plus Debit Card Agreement, HSA Tax Documents), 'Plan Summaries' (Health Savings Account Plan Rules, Health Savings Account Plan Descriptions, Health Savings Account Plan Details, Health Savings Account Plan Documents), 'Rules & Agreements' (Esign Consent Agreement, HSA Custodial Agreement and Disclosure Statement, Important Information on Patriot Act Requirements), and 'Contact Us'. 'How Do I?' includes 'Change Payment Method', 'Update Notification Preferences', 'Download Mobile App', 'Update HSA Coverage Level', 'View Interest Information', and 'View Fee Schedule'. 'Quick Links' includes 'Debit Card FAQs', 'IRS Publication 502 (Qualified Medical Expenses)', 'IRS Publication 969 (HSAs and Annual Contribution Limits)', and 'Learn More About PNC BeneFit Plus'.

**Expense Tracker** [View Non-Healthcare](#)

Expense Summary	Total Healthcare Expenses	Total Paid Expenses
	\$5,357.06	\$2,711.33
<b>Total Eligible to Submit:</b>	<b>\$2,645.47</b>	

Date	Expense	Recipient/Patient	Merchant/Provider	Amount	Status	Action
08/15/2014	Other	Undefined	-			
05/10/2014	Other	Undefined	-			
04/12/2014	Other	Patrick Henry Demo	-			
02/28/2014	Pharmacy	Patrick Henry Demo	Target Pharmacy			
02/14/2014	Other	Undefined	-			
02/09/2014	Medical	Patrick Henry Jr.	-			
01/23/2014	Dental	Patrick Henry Jr.	-			
01/19/2014	Laboratory	Patrick Henry Jr.	Dr. Kearn	\$120.00	✓	Pay
01/02/2014	Pharmacy	Patrick Henry Demo	-	\$50.00	✓	Pay

Intuitive self-service account management allows you to:

- Manage profile, beneficiary and dependent information
- View transaction activity
- Initiate Bill Pay to a provider or direct reimbursements to a personal bank account
- Manage HSA investments
- Review important account information
- Track expenses paid from your account(s) or out-of-pocket

# HSA Resources for Everyone



Steve

## SPENDERS

- Debit Cards for Dependents
- Links bank accounts for direct reimbursement
- Interest bearing cash account
- Online Bill Pay
- Healthcare Mobile app
- Expense Tracker for annual financial planning

## SAVERS

- Tiered interest cash account
- HSA Investment Funds
- Enables Investment Sweep
- On-line Account Summary with Investment Details
- eContribute from bank account
- Expense Tracker for recording out-of-pocket expenses



Nicole

# Using Your HSA Funds

- ✓ **Easy** - Simply swipe your card at point of service
- ✓ **Automatic** - Funds are immediately deducted from your account
- ✓ **Convenient** - No need to file manual claim or pay up front and wait for reimbursement
- ✓ **Simple** - Your balance is available 24/7 on our website, IVR or PNC BeneFit Plus Mobile App



## Other Distribution Options

- ✓ **Direct Deposit Reimbursement:** initiate an online reimbursement to a personal bank account
- ✓ **Bill Pay:** Online “pay the provider” option
- ✓ **Mobile:** initiate a reimbursement to a personal bank account

### **Quick Tip!**

- Request additional debit card(s) online for your spouse or qualified dependents (no additional charge!)
- Card cannot be used at ATMs



# Qualified Medical Expenses

- IRS Publication 502\* contains a list of all approved qualified medical expenses, including but not limited to:

## DOCTOR/HOSPITAL SERVICES

Doctor's office visits, hospital visits, ambulance services, flu shot/immunization, physical therapy, and eye surgery

## PHARMACY

Prescriptions, some prescribed over-the-counter items

## MEDICAL PRODUCTS

Wheelchair/crutches, hearing aids, eyeglasses, and contact lenses

## SERVICES/TREATMENTS

Drug/alcohol treatment, nursing home/services, diagnostic services, smoking cessation programs, psychiatric care, acupuncture, fertility treatment, chiropractic treatment, and dental treatment



\*IRS Publication 502 can be found online under Useful Links & Resources.

# HSA Investments: Achieve your goals

## Think of your HSA as a 401(k) for healthcare

**Reminder:** Interest and/or investment growth are tax free if used to pay for qualified medical expenses

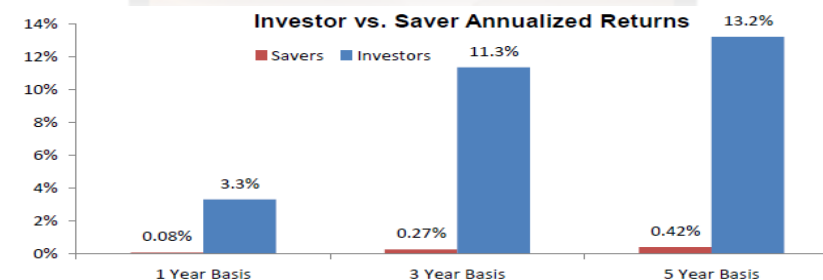
- Establish your investment account anytime
- Begin investing once your account reaches \$2,000
- Broad portfolio of highly-rated investment options from respected fund families

## Plan for your future needs and act now

- Coordinate your retirement planning strategy and allocation between 401(k) and HSA contributions
- Consider your healthcare \$\$\$ needs in your future and during retirement

## Did you know?

- HSA "investors" realize a higher rate of return over time than HSA "savers" relying on interest earnings



Reference: HSA Industry benchmarks from the 2015 Midyear Devenir Research Report



# Your Responsibilities

- **Always save your receipts**

- ✓ No third-party substantiation of how your money is spent
- ✓ IRS may need receipts if you are part of a general IRS audit

- **Tax Reporting**

- ✓ PNC will send you IRS Form 1099-SA only if you distributed funds out of your HSA in the prior year
- ✓ PNC will provide IRS Form 5498-SA online to download if you contributed funds to your HSA
- ✓ Complete form 8889 annually when you do your taxes

- **You are solely responsible for how you spend your HSA dollars**



Thank You!

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Questions?

# Disclosure

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<sup>1</sup>PNC does not provide legal, tax or accounting advice. Consult your tax advisor about tax benefits applicable to Health Savings Accounts or other benefit accounts such as FSAs, HRAs or QTAs.

<sup>2</sup>To view a partial list of qualified medical expenses see [IRS Publication 502](http://www.irs.gov/pub/irs-pdf/p502.pdf) available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>

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