

# Manchester Health Incentive Medical Plan



WORKPLACE BENEFIT SOLUTIONS



# The HealthCare Problem

- Costs keep increasing faster than salaries
  - Average 9% per year over the last 10 years in New England.
- New Taxes add to the cost of Healthcare
- Employers don't have all the answers
- Government doesn't have all the answers
- Insurance companies don't have all the answers

# But, what if...

- ... it was not a top down system where people told you what you had to do
- ... your employer gave you the money to spend on your healthcare instead of an insurance company
- ... you had information on the cost of services
  - Would you use the money and information wisely?
  - Could you make a difference?

# Did you know...

- Manchester will give you...
- **Up to \$1,500** per year for a single plan

Or

- **Up to \$3,000** per year for two person or family plans

Tax free money that is placed into your personal Health Savings Account (HSA)

# Here's how it works

- Manchester created a less expensive insurance plan
- They take the savings and give it to employees in the form of a contribution to a tax free Health Savings Account (HSA)
- You use that money to pay for your medical expenses
- You can put money into the account as well as your employer, if you choose to, up to an annual maximum of \$3,350 single & \$6,650 two person/family
- Any money you don't spend rolls over to the next year – tax free

# What's the catch...

- To lower the premium, the plan has an upfront deductible – like your auto insurance
- You pay the deductible (out of your HSA money) until you reach the deductible maximum
- Once you reach the deductible maximum the plan pays 100% of the cost of services for the rest of the plan year
- Also, preventive care is free, no deductible

# So, what's the deductible

- Single Deductible is \$2,000
- Two Person Deductible is \$4,000
- Family Deductible is also \$4,000

That's a lot of money!

# But wait...

- Manchester is giving me
  - Up to \$1,500 for a single plan
  - Up to \$3,000 for a two person or family plan
- My Deductible is
  - \$2,000 for a single plan
  - \$4,000 for a two person or family plan
- So my worst case is
  - \$500 for a single plan
  - \$1,000 for a two person or family plan

# And Remember...

- Preventive care is free (no deductible)
  - Physicals, Mammograms, Pap, PSA, Colonoscopy etc.
- You can add money to your HSA thru payroll ded.
  - Single, less than \$10/ week covers the gap
  - Two Person/Family less than \$20/ week

# What does this plan cost?

<b>Annual EE Premium</b>	<b>HSA</b>	<b>HMO</b>	<b>Difference</b>
<b>Single</b>	<b>\$1,328.56</b>	<b>\$1,406.70</b>	<b>\$78.14</b>
<b>Two Person</b>	<b>\$2,668.25</b>	<b>\$2,827.49</b>	<b>\$159.24</b>
<b>Family</b>	<b>\$3,418.67</b>	<b>\$3,784.03</b>	<b>\$365.36</b>

Above is based on 85% employer and 15% employee

# What does this plan cost?

<b>Annual EE Premium</b>	<b>HSA</b>	<b>POS</b>	<b>Difference</b>
<b>Single</b>	<b>\$1,328.56</b>	<b>\$1,991.97</b>	<b>\$663.41</b>
<b>Two Person</b>	<b>\$2,668.25</b>	<b>\$4,003.83</b>	<b>\$1,335.58</b>
<b>Family</b>	<b>\$3,418.67</b>	<b>\$5,358.33</b>	<b>\$1,938.66</b>

Above is based on 85% employer and 15% employee

# Show me an example

Single Employee, Minimal Use - \$1500 Starting Balance				
Expenses	HSA Medical Plan Pays	HSA Account	HSA Balance	HMO
Preventive Doctor Visit	\$200	\$0	\$1500	\$0
Specialist Doctor Visit	\$0	\$125	\$1375	\$20
Prescription Drug	\$0	\$200	\$1175	\$50
HSA Rollover to Next Year			\$1175	
Total Employee out of pocket cost		\$0		\$70

# Show me an example

Single Employee, Heavy Use - \$1500 Starting Balance				
Expenses	HSA Medical Plan Pays	HSA Account Cost	HSA Balance	HMO Copays
Preventive Doctor Visit	\$200	\$0	\$1500	\$0
3 Specialist Doctor Visit	\$0	\$375	\$1125	\$60
3 Prescription Drugs	\$0	\$300	\$825	\$90
ER Visit	\$0	\$800	\$25	\$150
Surgery	\$8000	\$525	\$0	\$100
HSA Rollover to Next Year			\$0	
Total Employee out of pocket cost		\$500		\$400

# How about another

Family - \$3000 Starting Balance				
Expenses	Medical Plan Pays	HSA Plan Cost	HSA Balance	HMO Copay
Preventive Doctor Visit - Employee	\$200	\$0	\$3000	\$0
Specialist Doctor Visit - Employee	\$0	\$125	\$2875	\$20
Prescription Drug – EE	\$0	\$200	\$2675	\$50
Preventive Doctor Visit - Spouse	\$200	\$0	\$2675	\$0
Prescription Drug - Spouse	\$0	\$50	\$2625	\$10
Preventive Doctor Visit - Child	\$150	\$0	\$2625	\$0
2 Additional Doctor Visits - Child	\$0	\$200	\$2425	\$40
Urgent Care Visit - Child	\$0	\$200	\$2225	\$75
HSA Rollover to Next Year			\$2225	
Total Employee Out of Pocket Cost		\$0		\$195

# ...One More

Family, Heavy Use - \$3000 Starting Balance				
Expenses	Medical Plan Pays	HSA Plan Cost	HSA Balance	HMO Copay
Preventive Doctor Visit - Employee	\$200	\$0	\$3000	\$0
6 Specialist Doctor Visit - Employee	\$0	\$850	\$2150	\$120
4 Prescription Drug – EE	\$0	\$800	\$1350	\$200
10 Chiropractic Visits	\$0	\$800	\$550	\$200
Preventive Doctor Visit - Spouse	\$200	\$0	\$550	\$0
6 Prescription Drug - Spouse	\$0	\$300	\$250	\$120
Preventive Doctor Visit - Child	\$200	\$0	\$250	\$0
2 Specialist Visits - Child	\$0	\$250	\$0	\$40
ER Visit - Child	\$0	\$1000	\$0	\$150
HSA Rollover to Next Year			\$0	
Total Employee Out of Pocket Cost		\$1000		\$830

# So I need to consider:

- The deductible (\$2,000 or \$4,000)
    - Minus my Employer HSA Contribution (up to \$1,500 or up to \$3,000)
    - Minus my savings through my paycheck (slide 10 & 11)
    - Minus the copays I spend in my current plan (Examples slides 12-15)
- Better yet, look up your own claims at [Anthem.com](http://Anthem.com)

# What happens next year?

- Manchester gives you another contribution
  - Up to \$1,500 for a single plan
  - Up to \$3,000 for a family plan
- This is in addition to any balance you roll over from last year
- There is no maximum on how much you can accumulate in your account year after year

# What happens when I retire?

- The balance of the account is yours
- The money comes out of the account tax free for qualified medical expenses
- The money can be used to pay some Medicare and LTC Premiums
- The account has a named beneficiary
- The money can be used for non-medical expenses once you reach age 65 (you pay taxes for non-medical expenses)

# Where's the information?



Tom has an HSA plan. He hurts his knee, goes to see his doctor and gets an MRI. His doctor recommends knee surgery and physical therapy. Had Tom shopped with SmartShopper and selected services with a cost-effective provider before each of these medical procedures, he could have reduced his costs and out-of-pocket expenses, plus earned over \$550 in cash rewards



MRI of the Knee: \$150  
Knee Arthroscopy: \$250  
Physical Therapy\*: \$150  
Total Cash Rewards: \$550

# Compass SmartShopper

## How Fast Can You Save Up To \$500?

How about five minutes? SmartShopper makes it quick and easy to earn cash rewards. Go to [www.compassmartshopper.com](http://www.compassmartshopper.com) or call 1-800-824-9127.

### STEP 1:

Create  
a secure  
account

### STEP 2:

Shop  
Online or  
by Phone

### STEP 3:

Earn  
Cash  
Rewards

# How are claims paid?

- The HSA account comes with a Debit Card
- At the Pharmacy you pay for prescriptions with your Debit Card
- Doctors Office – will send you a bill, write your debit card info on the bill and mail it back for payment
- View Claims on line at [Anthem.com](http://Anthem.com), HSA balance on line at Citizens Bank.

# For More Info...

- View this presentation and get additional information on the City Website at [www.manchesternh.gov/benefits](http://www.manchesternh.gov/benefits)
- Open Enrollment Meetings will be scheduled in May for the July 1, 2015 through June 30, 2016 plan year.

Thank You!