



Indiana University Health

Another employee medical plan option

When Open Enrollment rolls around Oct. 21-Nov. 4, IU Health employees will find an additional option available for their 2012 medical coverage. The new offering, a High Deductible Health Plan (HDHP), has been added in response to employee requests. The HDHP is a medical plan that provides lower premiums for employees willing to accept potentially higher out-of-pocket costs for their care. IU Health is among the increasing number of large employers offering this type of plan.

How the plan works

The plan member is responsible for paying the full cost of services for themselves and their enrolled dependents, including prescriptions—with the exception of Preventive Care Services—until the HDHP deductible is met. Once the deductible is met, the plan begins to pay based on the coinsurance. (Coinsurance is a cost-sharing feature where the employee and the health plan each pay a certain percentage of the cost of care until the employee's out-of-pocket maximum is reached). All covered care must be provided by "in-network" providers and facilities to apply toward deductible/coinsurance/out-of-pocket maximums.

The HDHP is coupled with a tax-advantaged Health Savings Account (HSA) to help pay for eligible expenses prior to the deductible being met. To help participating employees meet that need, IU Health will make employer contributions on a per-pay basis into participating employees' HSAs. Unused HSA balances roll over to the next year; they are not lost at the end of the plan year, as with a traditional Health Flexible Spending Account (FSA).

The HDHP plan annual deductibles, out-of-pocket maximums, coinsurance and employer HSA contribution amounts are shown below.

	Individual	Family <small>(Employee & Child; Employee & Spouse; Employee & Family)</small>
Deductible	\$1,750	\$3,500
Out-of-Pocket maximum	\$4,250	\$8,500
Employee Coinsurance	20% (after deductible satisfied)	20% (after deductible satisfied)
Employer HSA Contribution	\$500	\$1,000
Employee HSA Contribution Limits*	\$2,600	\$5,250

*Age 55 or older may contribute an additional \$1,000 annually

Participating employees will receive a debit card and check book to use for paying qualified medical expenses on a tax-free basis. Examples include prescriptions, doctor fees and exams.

More information about the HDHP/HSA option will be included in future issues of *IU Health Matters* and in the Open Enrollment packet sent to employee homes next month.