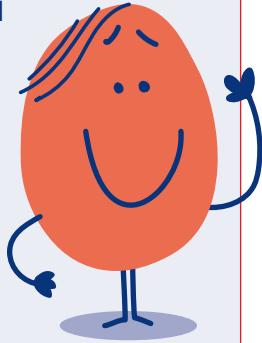


FOR ALL STATE AND HIGHER EDUCATION EMPLOYEES

### Online Assistance

ALEX®, your personal online ParTners for Health benefits expert, will be here later this summer to tell you more about your options.



**ALEX** can help you choose which insurance plan option, a PPO or HealthSavings/HSA, may work best for you. He will be available on [partnersforhealthtn.gov](http://partnersforhealthtn.gov). While ALEX is getting ready, we want to give you a preview of the new options.

### Annual Enrollment Period

The enrollment period for 2016 benefits for state and higher education employees is **September 15 through October 15**. The deadline to submit changes is **4:30 pm CT**.

The enrollment period for local education and local government employees will be held from October 1 through October 30.

## New HealthSavings CDHP Insurance Plan options

During annual enrollment this fall, there is a new health insurance option that can help you save money. This is in addition to the existing Preferred Provider Organization (PPO) plans.

The new HealthSavings CDHPs are lower monthly premium plans with a higher deductible. They include a health savings account (HSA) which can be used to pay for qualified medical, dental and vision expenses. This type of plan is sometimes called a Consumer Driven Health Plan with a Health Savings Account or CDHP/HSA. The HSA:

- Is your money — you own the account and can take your account with you when you retire or leave your job
- Is tax-advantaged
- If you choose the Wellness HealthSavings plan option the state contributes to your HSA account

## What is the difference between HealthSavings CDHP insurance options and the PPO insurance options?

### With HealthSavings CDHP insurance options you have...

- A lower monthly premium but a higher deductible
- A tax-free health savings account (HSA) which you own — you can roll it over each year and it's yours to keep if you leave
- A Wellness HealthSavings CDHP option or a regular HealthSavings CDHP option
- To meet your deductible before the plan starts paying for covered expenses — but you can use the money in your HSA to cover your qualified medical expenses, including your deductible
- Coinsurance (a set percentage of the discounted network rates) instead of copays (a set amount), until you reach your out-of-pocket maximum
- A single, lower out-of-pocket maximum

In-Network Comparison	Partnership PPO	Standard PPO	Wellness HealthSavings CDHP	HealthSavings CDHP
Deductible	\$450 individual \$1,150 family	\$800 individual \$2,050 family	\$1,400 individual \$2,800 family	\$1,500 individual \$3,000 family
Medical Out-of-Pocket Max	\$2,300 individual 4,600 family	\$2,600 individual \$5,200 family	\$2,300 individual \$4,600 family	\$3,800 individual \$7,600 family
Pharmacy Out-of-Pocket Max	\$2,500 individual \$5,000 family	\$3,000 individual \$6,000 family	included with medical	included with medical
HSA Employer Contributions	N/A	N/A	\$500 individual \$1,000 family	\$0

## What is the same?

### Like the PPOs, the HealthSavings CDHP plans...

- Are health insurance plans
  - Provide the same comprehensive health insurance coverage
  - Cover **preventive care** (annual well visit, routine screenings and tests) in-network at **no cost to you**
  - Offer the same provider network and provider discounts as the PPOs
  - Include pharmacy coverage
- Note: the way you pay for prescription drugs is different:
- » For certain 90-day chronic maintenance drugs (e.g., hypertension, high cholesterol, etc.) you do not have to meet your deductible first — you pay the coinsurance amount
  - » After the deductible is met, instead of a copay, members pay a percentage (coinsurance) of the discounted network rate for prescriptions

## How will an HSA work for you?

If you enroll in any HealthSavings CDHP, you can contribute money to the account via payroll deduction, up to certain limits, to use for your qualified healthcare expenses.

If you enroll in the Wellness HealthSavings CDHP and participate in the 2016 Partnership Promise, the state will deposit money in your account each year (\$500 for employee or \$1,000 for family in 2016). You can also contribute your own money pre-tax via payroll deduction. The HSA money is your money to keep, year after year, even after you retire or leave the state.

### HSA benefits include:

- The money you save in the HSA (both yours and, if applicable, state contributions) rolls over each year and collects interest. You don't lose it at the end of the year.
- You can use money in the account to pay your deductible and qualified medical, vision and dental expenses.

*Continued on next page*

Benefit Comparison	PPOs (Partnership & Standard)	HealthSavings CDHP
Covered Services	Each option covers the same set of services	
Preventive Care — routine screenings and preventive care	Covered at 100% (no deductible)	
Employee Contribution — premium	Higher than the HealthSavings Plan	Lower than the PPOs
Deductible — the dollar amount of covered services you must pay each calendar year before the plan begins reimbursement	Lower than the HealthSavings Plan	Higher than the PPOs
Physician Office Visits — includes specialists and behavioral health and substance abuse services	You pay fixed copays without having to first meet your deductible	You pay the discounted network cost until the deductible is met, then you pay coinsurance
Non Office Visit Medical Services — hospital, surgical, therapy, ambulance, advanced x-rays, etc.	You pay the discounted network cost until the deductible is met, then you pay applicable coinsurance	
Prescription Drugs	You pay fixed copays without having to first meet your deductible	You pay for the medication at the discounted network cost until your deductible is met — then you pay coinsurance until you meet the out-of-pocket maximum*
Out-of-Pocket Maximum — The most you pay for covered services; once you reach the out-of-pocket maximum, the plan pays 100%	Higher than the HealthSavings Plan	Lower than the PPOs
Health Savings Account	None	If you enroll in the Wellness HealthSavings CDHP, the state will contribute \$500 for single coverage and \$1,000 for family coverage to help offset the deductible — your contributions are pre-tax

\*For certain 90-day chronic maintenance drugs (e.g., hypertension, high cholesterol, etc.) you pay coinsurance and do not have to meet your deductible first

- The HSA offers a triple tax advantage on money in your account:
  - 1) Both employer and employee contributions are **tax free**
  - 2) Withdrawals for qualified medical expenses are **tax free**
  - 3) Interest accrued on HSA balance is **tax free**
- The HSA can be used to pay for qualified medical expenses that may not be covered by your plan (like vision and dental expenses, hearing aids, contact lenses, acupuncture and more) with a great tax advantage.
- The HSA can also serve as a retirement savings account. Money in the account can be used tax free for health expenses when you retire. And, when you turn 65, it can be used for non-medical expenses. But non-medical expenses will be taxed.

### Is there a limit on how much a member can contribute to an HSA each year?

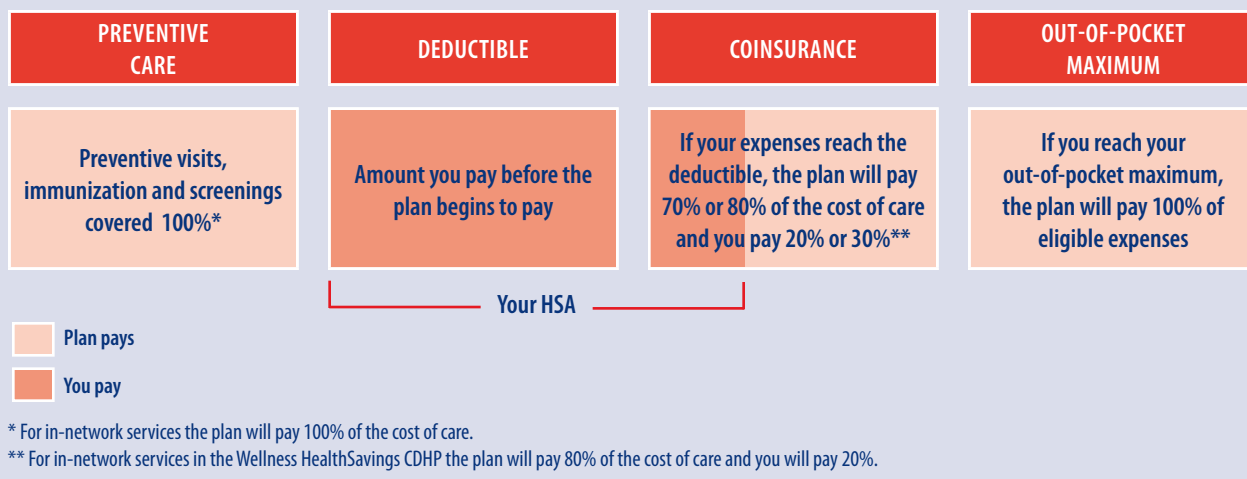
- In 2016, IRS guidelines allow total tax free contributions up to \$3,350 for individuals and \$6,750 for families annually.
- At age 55 and older, you can make an additional \$1,000/year contribution (\$4,350 for individuals or \$7,750 for families).

### HSA vs. FSA

If you are on either HealthSavings CDHP you cannot use a flexible spending account (FSA) for medical expenses. You can still have a limited purpose FSA to use for dental and vision expenses. You should consider contributing the maximum allowed to your HSA before contributing to your limited purpose FSA because HSA dollars are not “use-it-or-lose-it” like an FSA.

### How the HealthSavings CDHP Works

Annual Expenses 



### What else is changing for 2016?

- Health insurance premiums will increase 3.5 percent in 2016
- There will no longer be a network surcharge depending on your choice of health insurance carrier
- Chiropractic coverage will be limited to 50 visits per year — additional visits are the responsibility of the member
- The pharmacy lower cost 90-day maintenance tier will be expanded to include medications to treat asthma, depression, chronic obstructive pulmonary disease (COPD which includes emphysema and chronic bronchitis) and additional anti-hypertensives for coronary artery disease (CAD) and congestive heart failure (CHF)
- The PPO copay for convenience clinics will be lowered to the same level as a primary care visit — these facilities are often located within neighborhood drug stores and provide treatment for common, non-life-threatening conditions like minor burns and sprains, sinus infections, sore throats, skin rashes and upset stomachs
- The PPO copay for urgent care facilities will be increased to the same level as a specialist visit — facilities that provide treatment for more serious illnesses and injuries, including moderately severe trauma for non-life-threatening conditions such as broken bones or deep lacerations

# **PARTNERS** **NEW FOR 2016** **FOR HEALTH**

FOR ALL STATE AND HIGHER EDUCATION EMPLOYEES

## **WHAT YOU'LL FIND INSIDE**

New HealthSavings CDHP Insurance Plan options

Questions? Go to [partnersforhealthtn.gov](http://partnersforhealthtn.gov)



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