Office of Human Resources

High Deductible Health Plan

HDHP
- What is a HDHP?
- How is it different than a PPO plan?
- What is a Health Savings Account?
- How is a HSA different than a FSA?
- What resources are available?
- How to enroll
What is a HDHP?

A high deductible health plan (HDHP) is a health insurance plan with lower premiums and higher deductibles than a traditional health plan. It is intended to incentivize consumer driven healthcare. Being covered by a HDHP is a requirement for having a health savings account (HSA).
<table>
<thead>
<tr>
<th>Service</th>
<th>PPO * Preferred Provider Organization</th>
<th>HDHP * High Deductible Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums</td>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td>Deductibles</td>
<td>Lower</td>
<td>Higher</td>
</tr>
<tr>
<td>Member Cost Share after deductible is met</td>
<td>Copayments + Coinsurance</td>
<td>Coinsurance Only (20%*)</td>
</tr>
<tr>
<td>Annual Deductible</td>
<td>Medical $150 Pharmacy $150 (Per Person)</td>
<td>Single $1,600 Family $3,200 (Aggregate)</td>
</tr>
<tr>
<td>Out-of-Pocket Maximum</td>
<td>Single $2,500 Family $7,150 Apply to both medical and pharmacy</td>
<td>Single $3,500 Family $7,000 Apply to in-network medical services</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>Copayments</td>
<td>20%*</td>
</tr>
<tr>
<td>Tax-Favored Accounts</td>
<td>Healthcare FSA</td>
<td>Health Savings Account (HSA)</td>
</tr>
<tr>
<td>Third Party Administrator</td>
<td>Both plans are administered by Blue Cross &amp; Blue Shield of Alabama.</td>
<td></td>
</tr>
<tr>
<td>Network Access</td>
<td>Both plans have the same network access and provider discounts.</td>
<td></td>
</tr>
<tr>
<td>Preventive Services</td>
<td>Both plans cover FREE preventive services at no cost share to the member.</td>
<td></td>
</tr>
</tbody>
</table>

*after deductible has been met, Use an In-Network Provider, Know Coverage Differences
### 2024 Premium Comparison

- Premiums are from pre-tax dollars
- Premiums are deducted from the first two checks in the month for those paid over 12 months
- Premiums are accelerated and deducted biweekly for faculty paid over 9 months to pay for coverage during the summer

<table>
<thead>
<tr>
<th>Coverage Tiers</th>
<th>PPO</th>
<th>HDHP</th>
<th>Bi-weekly Savings</th>
<th>Annual Savings</th>
<th>UAH H.S.A</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$50.00</td>
<td>$30.00</td>
<td>$20.00</td>
<td>$480.00</td>
<td>$500.00</td>
<td>$980.00</td>
</tr>
<tr>
<td>Employee Plus Child(ren)</td>
<td>$168.00</td>
<td>$100.00</td>
<td>$68.00</td>
<td>$1,632.00</td>
<td>$1,000.00</td>
<td>$2,632.00</td>
</tr>
<tr>
<td>Employee Plus Family</td>
<td>$225.75</td>
<td>$150.00</td>
<td>$75.75</td>
<td>$1,818.00</td>
<td>$1,000.00</td>
<td>$2,818.00</td>
</tr>
</tbody>
</table>
A HSA is a tax advantaged medical savings account available to those enrolled in a high deductible health plan (HDHP). These funds are available to pay for qualified medical expenses.

Qualified medical is similar to FSA reimbursable expenses.

HSA’s offer triple tax savings:
1. Pre-tax contributions from employee & employer
2. Earnings on investments accumulate tax free
3. Tax free distributions when paying for qualified expenses.

HSA’s are portable. The money belongs to the employee. Rolls over from year-to-year, unlike FSA.
<table>
<thead>
<tr>
<th>Tax-Favored Accounts</th>
<th>FSA Health Care Flexible Spending Account</th>
<th>HSA Health Savings Account*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required Insurance</strong></td>
<td>Traditional PPO plan</td>
<td>Enrolled in High Deductible Health Plan</td>
</tr>
<tr>
<td><strong>Account Type</strong></td>
<td>Spending</td>
<td>Saving</td>
</tr>
</tbody>
</table>
| **Contribution Limits** | $3,050 Regardless of single/family coverage | Single $4,150  
Family $8,300 |
| **Access to Funds** | Up to annual election amount | Funds must be available in account |
| **Contributions** | Employee Only | Employee + Employer $500 single/$1,000 family  
when account balance reaches $1,000 |
| **Investments of funds** | No | Yes |
| **Carry-over of Funds** | No, use-it or lose rule applies | Yes, funds belong to the employee |
| **Portable** | No | Yes ** |
| **Debit Card Available** | Yes | Yes |
| **Substantiation** | Yes | No |

** Members who are no longer employed or participating in the HDHP and HSA plans will incur a monthly maintenance fee.
Health Savings Account Eligibility

- You must be covered by UAH's qualifying HDHP.
- You cannot also be covered by a non-HDHP plan.
  - Example: You cannot be covered secondary on a spouse’s PPO plan.
  - Example: You cannot be enrolled in Medicare.
- You cannot be listed as a dependent on another person’s tax return.
- IRS considers child dependents up to age 24 if full-time student, but ACA allows children to remain on a parent’s plan until age 26.
- You or your spouse cannot be enrolled in an FSA.
WHAT PLAN IS RIGHT FOR YOU?

HDHP

• Are you healthy?
• Can you afford the deductible and coinsurance?
• Are you willing to take risk?
• Are you interested in investing HSA funds?
• Not eligible for the HSA if you: have other insurance, can be claimed as a dependent, your spouse has an FSA

PPO

• Do you have a chronic condition?
• Are you planning for a hospital stay?
• What is your disposable income?
Open Enrollment Resources

Website
- Plan Summaries
- Premium Rates
- FAQ Documents

https://www.uah.edu/hr/open-enrollment

myBlueCross Resources
- Access Medical Claims
- Access Treatment Cost Estimator

Open enrollment ends October 31st
How to Enroll

**STEP ONE**
Log into [my.uah.edu](http://my.uah.edu)
Select HR Connection from the HR Services menu

**STEP TWO**
Enter portal to actively elect your coverage

**STEP THREE**
Upload required documentation
Complete Enrollment
Print Summary
Confirmation Email
Contact Us

EMAIL
benefits@uah.edu

PHONE
256.824.6640 or 256.824.6545

VISIT US
Shelbie King Hall Room 102

FOLLOW US ON FACEBOOK
UAH Human Resources & UAH ChargerFit