



Access Health Connecticut

**Health Savings Account (HSA) Compatible High Deductible
Health Plans (HDHP)**

Table of Contents

Section	Slide Number
HSA-Compatible HDHP Overview	3 - 7
2019 AHCT Standard Plans: Examples That Do Not Qualify as HDHPs	8 -10
HSA-Compatible HDHP: AHCT Individual Market Enrollment	11
On Exchange In-Network Deductibles (Plan Year 2014-2019)	12
On Exchange Maximum Out of Pockets (Plan Year 2014-2019)	13

HSA-Compatible HDHP Overview

High Deductible Health Plan (HDHP)

- A HDHP is generally any health insurance plan that complies with IRS guidance on certain plan features.
 - For self-only or family coverage, a HDHP cannot have a deductible that is below the threshold set by the IRS or an annual out-of-pocket maximum that exceeds the threshold set by the IRS.
 - All covered services are subject to the plan deductible, except for certain preventive benefits.

Health Savings Account (HSA)

- A tax-exempt trust or custodial account set up with a qualified HSA trustee to pay or reimburse medical expenses incurred under a HDHP.
 - An “eligible individual” can qualify for an HSA.
 - Contributions to the HSA are tax deductible up to a threshold specified by the IRS.
 - Withdrawals to pay for qualified medical expenses are not taxed.
 - Interest accumulates on a tax-deferred basis and is not subject to federal taxes when used to pay qualified medical expenses.

*There are 2 plans for 2019 offered through AHCT that are HSA-compatible.

HSA-Compatible HDHP Overview

HDHP: IRS guidance

- **Minimum annual deductible (\$1,350 /self-only & \$2,700/ family in 2019) with all covered services subject to the deductible except for certain preventive benefits.**
 - Annual out-of-pocket maximum cannot exceed specified limit (\$6,750/self-only & \$13,500/family in 2019).
 - Annual deductible and OOP maximum are specific to in-network coverage for enrollment in a network-based health plan.

Potential tax advantages of HSA

- **Contributions to the HSA are tax deductible up to a threshold specified by the IRS (2019 annual HSA contribution limit is \$3,500/self-only & \$7,000/family).**
 - Withdrawals to pay for qualified medical expenses are not taxed.
 - Interest accumulates on a tax-deferred basis and is not subject to federal taxes when used to pay qualified medical expenses.
 - Unused funds in the account are 'rolled over' at the end of the plan year so they can be used in the subsequent year.

HSA-Compatible HDHP Overview

- To be an eligible individual and qualify for an HSA, a person:
 - Must be covered under a HDHP
 - Cannot have any other health coverage
 - Exceptions include coverage for disease specific conditions or for a fixed amount of hospitalization per day
 - Cannot be enrolled in Medicare
 - Cannot be claimed as a dependent on someone else's tax return

Refer to IRS Publication 969: "Health Savings Accounts and Other Tax-Favored Health Plans" for additional information

HSA-Compatible HDHP Overview

- Enrollees can receive tax-free distributions from an HSA to pay / be reimbursed for qualified medical expenses incurred under a HDHP
 - Qualified medical expenses are those that generally qualify for medical and dental expense deductions on an annual federal tax return
 - Examples of qualified medical expenses are listed below:

Acupuncture	Drug addiction treatment	Insulin
Ambulance	Prescription Drugs	Laboratory Fees
Blood sugar test kits for diabetics	Eye exam & Eyeglasses	Laser eye surgery
Chiropractor	Hearing aids and batteries	Surgery, excluding cosmetic surgery
Crutches	Hospitalization	Wheelchair
Dental treatment, including fluoride	Inpatient alcoholism treatment	X-Rays

Refer to IRS Publication 969: "Health Savings Accounts and Other Tax-Favored Health Plans" and IRS Publication 502, "Medical and Dental Expenses" for additional information

HSA-Compatible HDHP Overview

- Insurance premiums cannot be treated as qualified medical expenses for reimbursement from an HSA unless the premiums are for:
 - Long-term care insurance
 - Health care continuation coverage (such as coverage under COBRA)
 - Health care coverage while receiving unemployment compensation under federal or state law
 - Medicare and other health care coverage if 65 or older (other than premiums for a Medicare supplemental policy, such as Medigap)

Refer to IRS Publication 969: "Health Savings Accounts and Other Tax-Favored Health Plans" and IRS Publication 502, "Medical and Dental Expenses" for additional information

2019 AHCT Standard Plans That Do Not Qualify as HDHP: Example 1

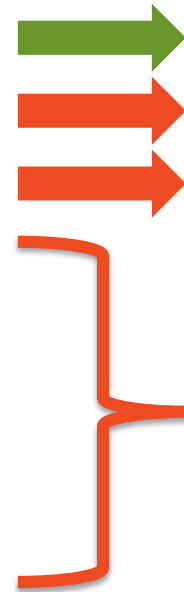
	AHCT 2019 Standard Gold
Plan Overview	In-Network (INET) Member Pays
Medical Deductible: Individual	\$1,300
Prescription Drug (Rx) Deductible: Individual	\$50
Out-of-Pocket (OOP) Maximum: Individual	\$5,000
Provider Office Visits (Primary Care, Mental & Behavioral Health, Substance Abuse)	\$20 copayment per visit
Specialist Office Visits	\$40 copayment per visit
Tier 1 Prescription Drugs (Retail)	\$5 copayment per script
Urgent Care Center or Facility	\$50 copayment per visit



Feature compared to IRS guidance:
IRS guidance pertains to 'in-network'
Below the minimum annual deductible threshold outlined in IRS guidance
Separate Rx deductible is less than threshold per IRS guidance
OOP is less than maximum threshold outlined in IRS guidance
Deductible does not apply to these services...under a HDHP, all services except for preventive care must be subject to plan deductible to be in accordance with IRS guidance






2019 AHCT Standard Plans That Do Not Qualify as HDHP: Example 2

	AHCT 2019 Standard Silver
Plan Overview	In-Network (INET) Member Pays
Medical Deductible: Individual	\$4,300
Prescription Drug (Rx) Deductible: Individual	\$250
Out-of-Pocket (OOP) Maximum: Individual	\$7,900
Provider Office Visits (Primary Care, Mental & Behavioral Health, Substance Abuse)	\$40 copayment per visit
Specialist Office Visits	\$50 copayment per visit
Tier 1 Prescription Drugs (Retail)	\$5 copayment per script
Urgent Care Center or Facility	\$75 copayment per visit



Feature compared to IRS guidance:
IRS guidance pertains to 'in-network'
Meets the minimum annual deductible threshold outlined in IRS guidance
Separate Rx deductible is less than threshold per IRS guidance
OOP is greater than maximum threshold outlined in IRS guidance
Deductible does not apply to these services...under a HDHP, all services except for preventive care must be subject to plan deductible to be in accordance with IRS guidance

2019 AHCT Standard Plans That Do Not Qualify as HDHP: Example 3

	AHCT 2019 Standard Bronze		Feature compared to IRS guidance:
Plan Overview	In-Network (INET) Member Pays		IRS guidance pertains to 'in-network'
Medical/Prescription Drug Deductible: Individual	\$6,000		Meets minimum annual deductible threshold outlined in IRS guidance
Out-of-Pocket (OOP) Maximum: Individual	\$7,900		OOP is greater than threshold outlined in IRS guidance
Provider Office Visits (Primary Care, Mental & Behavioral Health, Substance Abuse)	\$40 copayment per visit		Deductible does not apply to these services...under a HDHP, all services except for preventive care must be subject to plan deductible to be in accordance with IRS guidance
Specialist Office Visits	\$50 copayment per visit after INET plan deductible is met		Services subject to plan deductible in accordance with IRS guidance
Tier 1 Prescription Drugs (Retail)	\$5 copayment per script		Deductible does not apply to these services...under a HDHP, all services except for preventive care must be subject to plan deductible to be in accordance with IRS guidance
Urgent Care Center or Facility	\$75 copayment per visit		



HSA-Compatible HDHP: AHCT Individual Market Enrollment

Plan Year	Number of Plans	Members as of End of Annual Open Enrollment
2014	4 out of 19	6,500 out of 60,733 (10.7%)*
2015	10** out of 41	14,260 out of 95,442 (17.6%)
2016	10** out of 40	19,017 out of 116,024 (16.4%)
2017	3 out of 19	17,017 out of 104,859 (16.2%)
2018	3 out of 20	22,166 out of 114,134 (19.4%)
2019	2 out of 17	15,936 out of 111,066 (14.3%)
2020	2 out of 17	TBD

*As of March 2014 (prior to end of Open Enrollment for 2014 Plan Year)

**Based on participation of 4 carriers: included 1 Gold and 1 Silver HSA-Compatible HDHP

On Exchange In-Network Deductibles

PY2014 - PY2019

Metal Tier / Plan ID	Plan Name	2014	2015	2016	2017	2018	2019
Catastrophic		\$6,350	\$6,600	\$6,850	\$7,150	\$7,350	\$7,900
Bronze		\$4,083	\$4,878	\$5,381	\$5,903	\$6,053	\$5,974
Silver							
76962CT0010005	Standard Silver Point of Service (POS)						
Standard		\$3,000	\$2,600	\$2,900	\$4,000	\$3,700	\$4,300
73%		\$2,500	\$1,900	\$2,200	\$3,400	\$3,350	\$3,900
87%		\$500	\$400	\$500	\$700	\$600	\$600
94%		\$0	\$0	\$0	\$0	\$0	\$0
76962CT0010019	Silver Choice POS						
Standard			\$500	\$500	\$1,000	\$1,750	\$4,500
73%			\$500	\$500	\$1,000	\$1,750	\$3,500
87%			\$200	\$450	\$400	\$1,000	\$1,000
94%			\$100	\$200	\$150	\$150	\$250
86545CT1330001	Silver PPO Standard Pathway X						
Standard		\$3,000	\$2,600	\$2,900	\$4,000	\$3,700	\$4,300
73%		\$2,500	\$1,900	\$2,200	\$3,400	\$3,350	\$3,900
87%		\$500	\$400	\$500	\$700	\$600	\$600
94%		\$0	\$0	\$0	\$0	\$0	\$0
Gold		\$1,167	\$1,142	\$1,142	\$1,613	\$1,667	\$1,467
Platinum			\$0	\$150			

Notes:

* Only plans from carriers active in 2019 (Anthem and CBI) are included within this table

** Amounts are averaged across available plans in each metal tier except for silver. For silver, a sample of plans available consistently across years was selected to help simplify the results within the table.

*** Zero cost share plans excluded

**** Separate Rx deductible not included in silver standard and some gold plans.

On Exchange Maximum Out of Pockets

PY2014 - PY2019

Metal Tier / Plan ID	Plan Name	2014	2015	2016	2017	2018	2019
Catastrophic		\$6,350	\$6,600	\$6,850	\$7,150	\$7,350	\$7,900
Bronze		\$6,283	\$6,489	\$6,688	\$6,850	\$7,063	\$7,450
Silver							
76962CT0010005	Standard Silver Point of Service (POS)						
Standard		\$6,250	\$6,600	\$6,850	\$7,150	\$7,350	\$7,900
73%		\$5,200	\$5,200	\$5,200	\$5,700	\$5,850	\$6,300
87%		\$2,250	\$1,750	\$1,800	\$1,800	\$2,000	\$2,300
94%		\$2,000	\$600	\$800	\$1,000	\$750	\$900
76962CT0010019	Silver Choice POS						
Standard			\$6,600	\$6,850	\$7,150	\$7,350	\$7,900
73%			\$5,200	\$5,450	\$5,700	\$5,850	\$5,000
87%			\$2,000	\$2,250	\$1,500	\$2,000	\$2,500
94%			\$750	\$1,000	\$600	\$600	\$750
86545CT1330001	Silver PPO Standard Pathway X						
Standard		\$6,250	\$6,600	\$6,850	\$7,150	\$7,350	\$7,900
73%		\$5,200	\$5,200	\$5,200	\$5,700	\$5,850	\$6,300
87%		\$2,250	\$1,750	\$1,800	\$1,800	\$2,000	\$2,300
94%		\$2,000	\$600	\$800	\$1,000	\$750	\$900
Gold		\$3,000	\$3,650	\$4,642	\$4,450	\$5,383	\$5,967
Platinum			\$2,000	\$2,000			

Notes:

* Only plans from carriers active in 2019 (Anthem and CBI) are included within this table

** Amounts are averaged across available plans in each metal tier except for silver. For silver, a sample of plans available consistently across years was selected to help simplify the results within the table.

*** Zero cost share plans excluded