



2022 CDHP Informational Booklet

OBERLIN

COLLEGE & CONSERVATORY

How Do Consumer-Directed Health Plans (CDHPs) Work

A CDHP is a high deductible health plan that is paired with a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) to offset qualified health expenses.

CDHP - A CDHP is a medical benefit design with coverage that starts to pay after a higher deductible is met. While the plan has a higher deductible, it has lower premiums than a traditional PPO plan. It is considered a consumer-directed plan as members in a CDHP have more control over the cost of their care enabling them to get more value for their health care dollar. This booklet includes tools and strategies to help empower you to be as successful as possible as a member of a CDHP plan.

Health Savings Account (HSA) – Per IRS regulations, provided that CDHP plans meet specific criteria (as Oberlin’s plan does), it can be classified as an HSA-qualified CDHP plan (CDHP-HSA) allowing you to take advantage of a tax-advantage HSA account attached to the medical plan. HSAs are tax-deductible savings accounts designed to help individuals and families pay for out-of-pocket medical, pharmacy, dental and vision expenses. Year-end HSA balances roll over and are always yours if you leave or retire. To be eligible for an HSA, the IRS requires that you not be enrolled in secondary insurance (such as through your spouse) that provides first-dollar coverage such as a traditional PPO. You also cannot be enrolled in Medicare or be claimed as a dependent on someone else’s tax return and make or receive contributions into an HSA account. If you are not qualified to make or receive contributions into an HSA, you may still sign up for the College’s CDHP medical plan; however, it will be paired with an employer-funded Health Reimbursement Arrangement (HRA) instead of an HSA.

An HRA is an employer-funded group health plan from which employees are reimbursed tax-free for qualified expenses. The College will contribute the same annual funding amounts into HRA and HSA accounts to help you cover your medical, pharmacy, dental and vision expenses. Unused HRA and HSA funds will roll over into subsequent years. Note that HRAs can only be funded by employers (not employees), and you will not be taxed on the College’s HRA contributions. Also, employers are not permitted to cash out the balance to employees when they leave employment including retirement.

Your Tax Advantages

HSAs are a great way for you to save for the future and they help you cover qualified medical expenses. Your tax advantages are as follows:



Reduce Taxable Income

It's tax-free when you add money into the account. Your before-tax payroll contributions into the HSA help reduce your taxable income.



Earn Interest

It's tax-free as it grows, meaning you earn tax-free interest on your money--and the money provided by Oberlin.



Save on Medical, Pharmacy, Dental and Vision Expenses

It's tax-free when you use it to pay for qualified expenses (see IRS Publication 502 for a complete list). That means you are saving money on your medical, pharmacy, dental and vision expenses.



"Our goal is to find long-term solutions that help Oberlin thrive educationally and financially."

- One Oberlin 2019

Overview of Oberlin's CDHP-HSA Plan

Following is a high-level overview of Oberlin's 2022 CDHP medical plan:

- Employees will see a drop in their out-of-pocket maximums for the CDHP, as compared to the current PPO-FSA plan.
- Employees will see a reduction in their premiums for the CDHP, as compared to the current PPO-FSA plan.
- Employees will see a small increase in deductibles, but that will largely be off-set by Oberlin's contributions into your HSA and HRA accounts. For the 2022 plan year, Oberlin will provide a first-year additional contribution to the HSA by funding 75% of your deductible with HSA dollars as follows:
 - \$1,500 for Employee / \$2,250 for Employee + Spouse or Child(ren) / \$3,000 for Family.
 - In years after, the contributions from Oberlin will revert back to funding 50% of your deductible as follows: \$1,000 for Employee / \$1,500 for Employee + Spouse or Child(ren) / \$2,000 for Family.
- Employees will maintain access to the existing MMO network of providers.
- The CDHP plan will cover no-cost preventive benefits as required by the Affordable Care Act. Certain diagnostic tests were covered 100% under the PPO plan that will become subject to the plan deductible, coinsurance and apply toward your out-of-pocket maximum.
- There will be no changes to the coverage of procedures and no new exclusions.
- Coinsurance will rise from 85/15 to 80/20 for those moving to the CDHP (i.e., the current CDHP is not changing).
- Oberlin's CDHP plan has a "true family deductible" meaning that the entire family deductible must be met before your insurance will pay coinsurance for any covered family member. In the current PPO plan, once the single deductible is met by a family member, benefits for that member are payable at coinsurance and claims for the remaining members add toward the family deductible.

CDHP Pharmacy Benefits

Following is a high-level overview of how the pharmacy benefits work within Oberlin's 2022 CDHP plan:

- Under the current PPO plan, specialist visits and prescriptions and other services are covered at a copay before you meet your deductible. In the CDHP plan, all medical and pharmacy claims (except ACA preventive pharmacy items) must be paid out-of-pocket until your plan deductible is met, after which you pay coinsurance (80/20).
- Your expenses for covered prescription drugs count towards the plan deductible and out-of-pocket maximum. The deductible and out-of-pocket maximum include both medical and pharmacy combined, meaning there are no separate pharmacy deductibles or maximums.
- The College-provided funds into your Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) in 2022 will help you meet 75% of your deductibles to offset your out-of-pocket costs (and will return to 50% funding in 2023).
- Employees will maintain access to the existing pharmacy network.
- Employees will continue to use the CVS network and formulary (except for normal annual changes, but nothing associated with the move to a CDHP).
- You will not require new prescriptions or new pre-authorizations.
- CVS provides a drug cost tool on their website to help you compare pharmacy prices and mail order: www.Caremark.com.
- Manufacturer coupons can help cover the cost of expensive specialty medications. For example, a drug may cost \$3,000 and a manufacturer coupon limits your expense to \$5. Be sure to submit a claim form so your expense is applied toward your deductible and maximum – when using a manufacturer coupon, the insurance carrier does not receive the claim.



If you take high-cost brand or specialty drugs, visit the drug manufacturer's website to look for financial assistance programs.

PPO and CDHP Comparisons

Premiums

The premium is the amount that must be paid for your health plan coverage. It is deducted from your paycheck as a percentage of your salary.

Employees earning over \$150,000 pay stated rate until a cap, and then 25% of stated rates over cap.

PPO Health Plan	Single Employee		Consumer Driven Health Plan	Single Employee	
	Employee			Employee	
		+Spouse			+Spouse
		+1 child			+Children
		+2 children			
		+3 children			
	Family			Family	
	5.80%			4.50%	

Deductibles

Your deductible is the amount you owe for covered health care services before your health plan begins to pay. The deductible may not apply to all services.

	In-Network		Out-Of-Network	
PPO	Single Employee	\$1,500	Single Employee	\$3,000
	Employee		Employee	
	+Spouse or Children	\$2,500	+Spouse or Children	\$5,000
	Family	\$2,500	Family	\$5,000
CDHP	Single Employee	\$2,000	Single Employee	\$4,000
	Employee		Employee	
	+Spouse or Children	\$3,000	+Spouse or Children	\$6,000
	Family	\$4,000	Family	\$8,000

Out-Of-Pocket Maximums

The most you pay during a policy period before your health plan starts to pay 100% for covered services. This limit must include deductibles, coinsurance, copayments or similar charges

		In-Network	Out-Of-Network
PPO	Single Employee	\$6,000	Single Employee \$12,000
	Employee		Employee
	+Spouse or Children	\$12,000	+Spouse or Children \$24,000
CDHP	Family	\$12,000	Family \$24,000
	Single Employee	\$4,000	Single Employee \$8,000
	Employee		Employee
	+Spouse or Children	\$6,000	+Spouse or Children \$12,000
	Family	\$8,000	Family \$16,000

Preventative Care

Preventative care is routine health care that includes screenings, check-ups and patient counseling to prevent illnesses, disease or other health problems

		In-Network	Out-Of-Network
PPO		Covered at 100% with no deductible	Not covered
CDHP		Covered at 100% with no deductible	Not covered



According to Kaiser Family Foundation, CDHP premiums are 6.9% less than PPO premiums, nationally.

HSA, HRA and FSA

	Funding Accounts (HSA & HRA)	Health Care Flexible Spending Account (HC-FSA)	Dependent Care Flexible Spending Account (DC-FSA)
Eligibility	Must be enrolled in the CDHP plan	You <u>cannot</u> be enrolled in the CDHP-HSA plan	No restrictions that depend upon the medical plan
Qualified Expenses	Medical, Rx, Dental, Vision	Medical, Rx, Dental, Vision	Eligible Dependent Care Services
2022 Oberlin Annual Contribution*	Single: \$1,000 + \$500 bump = \$1,500 EE + 1: \$1,500 + \$750 bump = \$2,250 Family: \$2,000 + \$1,000 bump = \$3,000	None	Not Applicable
Rollover	Unused balance rolls over year to year	None	None
Changes to Contributions	Anytime	Only during annual open enrollment	Only during annual open enrollment

*For the 2022 plan year, Oberlin will provide a first-year additional contribution to the HSA by funding 75% of your deductible. In years after, the contributions from Oberlin revert back to funding 50% of your deductible as follows: \$1,000 for Employee / \$1,500 for Employee + Spouse or Child(ren) / \$2,000 for Family.

How to Get the Most From Your HSA

Below are tips and strategies to help you make the most of your health care dollars.

Tip 1

My Care Compare MEDICAL MUTUAL

This tool is available for all members currently covered by Medical Mutual; however, it will become more valuable to you in the CDHP plan as you will pay Medical Mutual's discounted rates for medical and prescription drugs before you meet your deductible (as opposed to paying copays in the PPO plan). With My Care Compare, you have an opportunity to lower your out-of-pocket costs. It helps you determine the price you will pay for multiple services such as routine lab work, office visits, inpatient or outpatient procedures, etc. before you make an appointment. You can also view the quality ratings of providers while comparing costs at different locations for the same exact medical procedure. This tool gives you more control over how much you pay for in-network services thereby lowering your out-of-pocket expenses to help preserve your HSA and HRA funds for future use. For example, within the Oberlin area, an ankle x-ray costs \$55 at a freestanding imaging center as opposed to \$220 at a nearby hospital.

To find the price and quality comparison tool, navigate to medmutual.com and click on the "Resources & Tools" tab and select My Care Compare. My Care Compare is also available within Medical Mutual's smartphone app.

Tip 2

Use the Appropriate Place for Care

For non-life or limb-threatening injuries, such as pink eye, bladder infections, a sore throat, etc., using a lower-cost alternative for care like retail care clinics and urgent care centers as opposed to the emergency room can save you time and money. If you need to use an emergency room for a true emergency, services rendered are treated as in-network benefits; however, any follow-up afterward must be done at in-network providers or it will be billed as out-of-network. If you are unsure if you should go to the emergency room or urgent care, call Medical Mutual's Nurse Line at 888-912-0636. It's staffed 24/7. If the Nurse tells you to go to the emergency room, then your visit will be covered at the true emergency benefit level.

Tip 3**No Cost Diabetes Testing Supplies**

Individuals with certain chronic health conditions who opt into Medical Mutual's chronic condition management programs, get the support of nurse care managers to help manage their conditions (asthma, heart failure, coronary artery disease, COPD, diabetes and hypertension). For members with diabetes, when you opt into the program, you receive the following supplies at no member cost-share: syringes, pen needles, glucose strips, control solution, lancing device, glucose lancets and a glucose meter. Call 800-590-2583 to learn more or to enroll in Medical Mutual's chronic condition management programs.

Tip 4**No Cost Preventive Drugs**

CVS Caremark provides certain preventive medications at no cost share to members. Your doctor must write a prescription for these prescriptions to be covered. Be sure to take CVS Caremark's preventive drug list with you each time you or your family has a checkup or yearly exam. To view CVS Caremark's preventive drug list, click [here](#).

Tip 5**Drug Comparison Tool ♥CVS caremark®**

CVS Caremark provides members a self-search tool where savings specific to your prescription drug plan can be found. Many tools and resources are available at www.Caremark.com. If you haven't done so already, be sure to register on their site to manage your pharmacy benefits online, compare drug costs to help minimize your costs, request refills and sign up for email or text messages. CVS/Caremark also has a smartphone app so you can manage your prescription benefits on the go.

Tip 6**No "Use It or Lose It" Provision**

Try to put the money you're saving on medical premiums into your HSA account. You will be in a better position to cover the costs of care, and if you don't have many medical or pharmacy expenses in a particular year, you will be able to save for the future. Unlike an FSA, HSA accounts do not have a "use it or lose it" provision. The HSA is always your money to keep. Just like a bank account, you own your HSA, so it's yours to keep even if you terminate employment or retire.

Tip 7**Need Help Deciding How Much to Contribute to your HSA?**

Visit Picwell using the website link or QR code below. Picwell has customized the website to help you decide the most suitable amount to contribute to your HSA: oberlin.picwell.com



Scenario #1

Peg is having a baby

9 months of in-network prenatal care and hospital delivery

	CDHP	PPO
Plan deductible	\$2,000	\$1,500
Specialist co-insurance or co-pay	20%	\$40
Hospital co-insurance	20%	15%
Other co-insurance	20%	15%
Total example cost	\$12,700	\$12,700
Peg's Cost	CDHP	PPO
Deductible	\$2,000	\$1,500
Co-payments	\$0	\$10
Co-insurance	\$2,000	\$1,400
Limits/exclusions	\$60	\$60
Subtotal cost	\$4,060	\$2,970
Less: Oberlin Health Savings	(\$1,000)	-
Less: Oberlin One-Time Bump	(\$500)	-
Peg's total cost*	\$2,560	\$2,970

* The total employee cost does not take into account, the lower annual employee contributions in the CDHP plan.

Treatments shown are just examples of how this plan might cover medical care. This benefit scenario illustrates care for a hypothetical patient and should be construed as recommendations for care or cost of care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. These coverage examples are based on self-only coverage.

Source: <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources>

Scenario #2

Managing Tim's diabetes

A year of routine in network care of a well-controlled condition

	CDHP	PPO
Plan deductible	\$2,000	\$1,500
Specialist co-insurance or co-pay	20%	\$40
Hospital co-insurance	20%	15%
Other co-insurance	20%	15%
Total example cost	\$5,600	\$5,600
Tim's Cost	CDHP	PPO
Deductible	\$2,000	\$800
Co-payments	\$0	\$600
Co-insurance	\$700	\$0
Limits/exclusions	\$20	\$20
Subtotal cost	\$2720	\$1,420
Less: Oberlin Health Savings	(\$1,000)	-
Less: Oberlin One-Time Bump	(\$500)	-
Tim's total cost*	\$1,220	\$1,420

* The total employee cost does not take into account, the lower annual employee contributions in the CDHP plan.

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Source: <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources>

Scenario #3

Mary has a bone fracture

In-network ER visit and follow up care

	CDHP	PPO
Plan deductible	\$2,000	\$1,500
Specialist co-insurance or co-pay	20%	\$40
Hospital co-insurance	20%	15%
Other co-insurance	20%	15%
Total example cost	\$2,800	\$2,800
	CDHP	PPO
Mary's Cost		
Deductible	\$2,000	\$1,500
Co-payments	\$0	\$300
Co-insurance	\$200	\$10
Limits/exclusions	\$0	\$0
Subtotal cost	\$2,200	\$1,810
Less: Oberlin Health Savings	(\$1,000)	-
Less: Oberlin One-Time Bump	(\$500)	-
Mary's total cost*	\$700	\$1,810

* The total employee cost does not take into account, the lower annual employee contributions in the CDHP plan.

Treatments shown are just examples of how this plan might cover medical care. This benefit scenario illustrates care for a hypothetical patient and should be construed as recommendations for care or cost of care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. These coverage examples are based on self-only coverage.

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Key Enrollment Dates



10/06/2021

Benefits Fair to be held at Oberlin Hotel



10/11/2021 - 10/29/2021

Open enrollment period for faculty and staff



10/15/2021 - 12/07/2021

Open enrollment period for retired faculty and staff



Picwell is a customized website to help you decide the most suitable amount to contribute to your HSA: oberlin.picwell.com

Want more information?

If you have questions, please contact the Department of Human Resources at [440-775-8430](tel:440-775-8430)
or Human.Resources@oberlin.edu.

