



# 2022 CDHP Informational Booklet

**OBERLIN**

COLLEGE & CONSERVATORY



# How Do Consumer-Directed Health Plans (CDHPs) Work

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**A CDHP-HSA is a high deductible health plan that is paired with a Health Savings Account 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 the employee’s 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.

# Your Tax Advantages

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**HSA's are a great way for you to save for the future and it helps 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

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## Following is a high-level overview of Oberlin's 2022 CDHP-HSA:

- Employees will see a drop in their out-of-pocket maximums for the CDHP-HSA, as compared to the current PPO-FSA plan
- Employees will see a reduction in their premiums for the CDHP-HSA, 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 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 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**
- Employees will continue to use the CVS network and formulary (with the exception of normal annual changes, but nothing associated with the move to a CDHP)
- Our plan will maintain their access to the same no-cost preventive care procedures as well as the specific preventive drugs provided by CVS Caremark at no cost
- No plan design changes (i.e. covered procedures, exclusions, etc.)
- Coinsurance will rise from 85/15 to 80/20 for those moving to the CDHP (i.e. the current CDHP is not changing)

The main differences you will see with the CDHP-HSA plan:

- There are no copays or coinsurance for medical and prescription drugs until an employee has met the plan deductibles in the CDHP-HSA. The PPO featured copays and coinsurance not subject to the deductible.
- Oberlin's CDHP-HSA 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.

# 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		Consumer Driven Health Plan		
	Single Employee	2.00%	Single Employee	1.75%	
Employee	+Spouse	4.10%	Employee	+Spouse	3.50%
	+1 child	3.60%		+Children	3.50%
	+2 children	4.10%			
	+3 children	4.60%			
Family	5.80%	Family	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



# HSA's Versus FSA's

	<b>Health Savings Account (HSA)</b>	<b>Health Care Flexible Spending Account (HC-FSA)</b>	<b>Dependent Care Flexible Spending Account (DC-FSA)</b>
<b>Eligibility</b>	Must be enrolled in the CDHP-HSA	You cannot be enrolled in the CDHP-HSA plan	No restrictions dependent upon the medical plan
<b>Qualified Expenses</b>	Medical, Rx, Dental, Vision	Medical, Rx, Dental, Vision	Eligible Dependent Care Services
<b>2022 Employer Annual Contribution*</b>	\$1,500 Single \$2,250 Employee/Spouse or Child(ren) \$3,000 Family	None	None
<b>Rollover</b>	Unused balance rolls over year to year	None	None
<b>Changes to Contributions</b>	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

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**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-HSA 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 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 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](https://www.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, urgent care centers as opposed to the emergency room to save 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](http://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 see where you can save, price prescriptions to keep your medications costs as low as possible, 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.

# Frequently Asked Questions (FAQ's)

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## HEALTH SAVINGS ACCOUNTS (HSAs)

### **Who is eligible to open an HSA?**

Employees can contribute to an HSA if they are:

- Covered by a CDHP
- Not covered by another first-dollar coverage health insurance
- Not enrolled in Medicare
- Not able to be claimed as a dependent on someone else's tax return

### **How are accounts opened?**

Members register for our secure member website, My Health Plan. From there, they can open their HSA with a few simple steps.

### **How are the accounts funded?**

HSAs can be funded by the employer, the employee or both.

### **Who owns the HSA account, and what happens if the employee is no longer in a CDHP?**

Employees own their HSAs, even if they change health insurance plans or jobs.

If the employee is no longer enrolled in a CDHP, he or she is no longer eligible to make new contributions to the HSA, but can continue to use funds for qualified medical expenses.

### **What expenses are eligible to be paid from the HSA?**

The IRS determines which expenses are eligible for reimbursement. Eligible expenses include most medical, drug, dental and vision charges.

A list of expenses is available on the IRS website, IRS.gov, in [IRS Publication 502](#), Medical and Dental Expenses.

**How are eligible expenses reimbursed when members use forms of payment other than their HSA debit card?**

Members can request a check or direct deposit to reimburse themselves for eligible expenses using their online account or via the AccountLink mobile app.

**Are there investment options available?**

Yes. After a member's HSA reaches the \$1,000 balance threshold\*, he or she can select from a variety of mutual funds, including offerings from Franklin Templeton, PIMCO and Vanguard.

**Are there any IRS tax implications with Domestic Partner coverage in the CDHP-HSA plan?**

Oberlin College will provide Health Savings Account deposits at the Employee + Spouse/DP or Family rate for those with Domestic Partners; however, a domestic partner's medical expenses are generally not eligible for tax-free HSA distributions. For an eligible expense to qualify for a tax-free HSA distribution, the expense must be incurred by the employee (the HSA holder), the employee's spouse (same-sex or opposite-sex), the employee's tax-dependent child, or the employee's qualifying relative tax dependent (e.g., a tax-dependent domestic partner).

A domestic partner's medical expenses will qualify for a tax-free distribution from the employee's HSA only if the domestic partner qualifies as the employee's tax dependent under IRC §152, as modified by §223(d)(2)(A). Note: Any unqualified HSA fund distributions will be includible in gross income; and the distribution will be subject to a 20% additional tax (pre-age 65).

**FLEXIBLE SPENDING ACCOUNTS (FSAs)**

**May I still participate in the Dependent Care Flexible Spending Account while enrolled in the CDHP-HSA plan?**

Employees enrolled in Oberlin College's CDHP-HSA plan may not participate in the general-purpose Health Care Flexible Spending Account due to IRS regulations; however, you may still participate in the Dependent Care FSA.

## MEDICARE

### **What happens to the money I have saved in my HSA once I enroll in Medicare?**

Although you can no longer make contributions to your HSA once you enroll in Medicare, the money that has accumulated in your account remains yours to spend tax-free on IRS-eligible expenses, including medical plan deductibles, copays, and coinsurance; dental and vision expenses, insulin, durable medical equipment, supplies, etc. Also included are over-the-counter drugs and medicine with a prescription. In addition, you can reimburse certain insurance premiums, including premiums for Medicare Parts B, D, and C.

### **I will be eligible for Medicare this year but I do not plan to enroll until after retirement. While I remain on my employer's medical plan until that time, can I keep contributing to my HSA?**

Yes, a person that is 65 years old can delay taking Social Security and be eligible for HSA contributions as long as they are not enrolled in any part of Medicare, including A, B or D.

### **If I'm not eligible to contribute to a HSA, can I still enroll in my employer's CDHP medical plan?**

Yes. The HSA a separate component of the CDHP medical plan. You can still enroll in the medical plan but you may not contribute to the HSA.

### **My spouse is covered by Medicare and I will be covered by a CDHP-HSA health plan this year. How much will I be able to contribute to my HSA?**

If you are covering both your spouse or domestic partner and yourself on Oberlin's HDHP-HSA plan, you will be able to contribute up to the IRS family maximum to an HSA in your name even though your spouse is on Medicare.



#### **Did you know?**

The CDHP-HSA plan retains the **same network of medical and prescription providers.**

**My spouse is covered by Medicare and is not covered on my CDHP-HSA policy. Can I pay for their expenses from the money I have accumulated in my HSA?**

Yes, you can pay for eligible expenses from your HSA for yourself or your tax dependents, even if the dependent is not covered under your medical plan and even if he or she has other coverage. This includes co-pays, deductibles, and other eligible expenses for which you will not be reimbursed elsewhere.

**I will be enrolling in Medicare this year. For the first part of the year, I will be covered only by my CDHP at work and the second part of the year I will be covered by Medicare. How much can I contribute to my HSA?**

You will be eligible to contribute to your HSA only for the portion of the year that you are not covered by Medicare. You must prorate your contributions. To calculate the prorated maximum contribution amount, divide your annual contribution by 12 months, and then multiply by the number of months that you will be enrolled in the CDHP and not in Medicare as of the first of the month.

**Can I make tax-free distributions from my HSA for non-eligible expenses when I turn 65?**

No. Distributions for non-eligible expenses would be considered taxable income, putting these withdrawals on par in terms of tax treatment with distributions from a traditional 401(k) plan or traditional IRA. Additionally, once you turn 65 or meet Social Security's definition of disabled, distributions for non-eligible items are not subject to the 20% additional tax (penalty) otherwise assessed on withdrawals for non-eligible expenses.

**What happens to a member's HSA when they enroll in Medicare?**

When members enroll in Medicare, they are no longer allowed to contribute to their HSA, but can still use any remaining funds to pay for eligible expenses.



**Contribution Catch Up**

If **55 years of age or older**, you can contribute an additional \$1,000 to your HSA.

## 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%
<b>Total example cost</b>	<b>\$12,700</b>	<b>\$12,700</b>
<b>Peg's Cost</b>	<b>CDHP</b>	<b>PPO</b>
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)	-
<b>Peg's total cost*</b>	<b>\$2,560</b>	<b>\$2,970</b>

\* 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%
<b>Total example cost</b>	<b>\$5,600</b>	<b>\$5,600</b>
<b>Tim's Cost</b>	<b>CDHP</b>	<b>PPO</b>
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)	-
<b>Tim's total cost*</b>	<b>\$1,220</b>	<b>\$1,420</b>

\* 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>



# Key Enrollment Dates

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**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

## 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](mailto:Human.Resources@oberlin.edu).

