

CDHP FREQUENTLY ASKED QUESTIONS

What is a Consumer Driven Health Plan (CDHP)?

The Consumer Driven Health Plan (CDHP) has a higher deductible and lower premiums than our current PPO. All services are subject to the deductible first, except for preventive care and certain preventive medications. This means you will pay 100% of the allowed charges until the deductible is satisfied. Once the deductible has been satisfied, insurance will cover 80% of the charges and you will pay 20% until the out-of-pocket maximum has been reached. After the out-of-pocket maximum is reached, all covered services will be paid by the insurance at 100% for the remainder of the calendar year.

Why choose the CDHP option?

In exchange for a higher deductible, the CDHP has lower premiums and offers a Health Savings Account (HSA) to help pay for qualified medical expenses such as deductibles and coinsurance on a tax-free basis. CHPW will contribute up to \$500 annually for an individual or \$1,000 annually for a family to your HSA to help offset the higher deductible. You may also contribute to your HSA through payroll deductions on a tax-free basis up to the IRS maximums allowed. (See the Health Savings Account FAQ for more details.)

How are prescriptions covered under the CDHP?

The cost of prescriptions counts towards your medical deductible on the CDHP plan. You will pay the full cost of your medications until you meet the deductible. The deductible is waived for certain preventive medications including a number of asthma, cholesterol, diabetes and heart medications. A current list of preventive medications under the CDHP is posted on the benefits portal. If you take prescription drugs, it is recommended that you ask your doctor if there are less expensive alternatives that would have the same result.

What if I want to choose the CDHP option but my spouse is covered under a non-CDHP plan?

IRS guidelines limit use of tax-free plans such as Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA). If you are enrolled in the CDHP and have an HSA, you cannot also be covered by your spouse's non-CDHP plan. In addition, your spouse cannot participate in a general purpose FSA for healthcare related expenses. A limited purpose FSA is allowed. For more information, see the benefit guide located on the benefits portal.

What if I want to have my Dependent Care FSA?

If you enroll in the CDHP you are eligible to participate in the FSA Dependent Care for day care expenses only.

How does the deductible work under the CDHP?

Your deductible is the amount you'll pay out-of-pocket each year before your insurance provider begins to cover any medical costs (excluding any applicable preventive care services/medications). The CDHP plan deductibles are \$1,600 for employee only coverage, and \$3,200 for family-level coverage. Office visits, Doctor on Demand visits, medical services, and prescription medications all apply towards the CDHP plan deductible.

How does the out-of-pocket maximum work on the CDHP?

The Out-of-Pocket (OOP) maximum is the most you have to pay for covered services in a plan year. After you reach the OOP max, CHPW pays 100% of the costs of covered benefits. The OOP max for an individual is \$4,000, and \$8,000 for family coverage.

How does the deductible and out-of-pocket maximum work with family-level coverage on the CDHP?

The CDHP's family deductible is an aggregate deductible. This means you must meet the full family deductible of \$3,200 before the plan will pay coinsurance for any family member enrolled on the medical plan.

The CDHP's family out-of-pocket maximum is an embedded maximum. This means the individual out-of-pocket maximum of \$4,000 applies to each family member enrolled in family coverage. No one individual enrolled in family coverage will have to pay more than \$4,000 for their own healthcare before the plan pays 100% for in-network expenses. Once two people meet the individual out-of-pocket maximum on the CDHP, it's met for the entire family. The family out-of-pocket maximum of \$8,000 applies to those families that have more than two people.

What happens if I terminate employment?

You may elect to continue coverage under the CDHP plan through COBRA. CHPW contributions to your HSA will stop, however you may continue to contribute to the HSA as long as you are covered by a CDHP. The HSA is your account and goes with you when you leave CHPW.

Where can I get more information about the HSA?

See the HSA FAQ from Human Resources.