



2017

THE CONSUMER DRIVEN

HEALTH PLAN

A NEW HEALTHCARE OPTION FOR UNIVERSITY OF DAYTON EMPLOYEES

You will have a new choice in healthcare plans for 2017. Is the Consumer Driven Health Plan right for you?

A NEW HEALTHCARE OPTION FOR YOU

Healthcare and healthcare costs have been part of the national conversation for several years now. Consumers and institutions alike have searched for ways to control costs while still providing comprehensive coverage that is valuable and accessible.

The Consumer Driven Health Plan, or CDHP, is one approach organizations and employees are taking to manage costs. You will have the opportunity to choose a CDHP as part of your University of Dayton benefits for 2017.

The CDHP supports your health and well-being and helps you to be an informed consumer. It's called a Consumer Driven Health Plan because you drive the decisions being made about your healthcare and health spending. This type of plan offers a tax-advantaged Health Savings Account (HSA), to help you better manage your healthcare dollars. The University of Dayton will make a contribution to that account to help pay for your eligible expenses.

The Core and Advantage plans are still available, but the new CDHP could mean more affordable coverage for you and is worth considering.

TAKE A FRESH LOOK

The new CDHP, like the Core and Advantage plans, provides comprehensive medical coverage. It has the same network of doctors, specialists, facilities and hospitals, covers the same services, pays 100% for in-network preventive care, and limits how much you'll have to pay for healthcare through the out-of-pocket maximum. However, there are a few key differences:

Key Features	New CDHP	Core Plan	Advantage Plan
Monthly Premiums	Lowest	Moderate	Highest
Deductible	Highest Medical and prescription drug expenses are both applied to the deductible.	Moderate Separate deductibles for medical and prescription drug expenses.	Lowest Separate deductibles for medical and prescription drug expenses.
In-network preventive care provided at 100%	Yes	Yes	Yes
Paying for in-network care: Before you meet your deductible	You pay 100% of allowed charges	You pay a fixed copay for most services	You pay a fixed copay for most services
Paying for in-network care: After you meet your deductible	You pay 20% coinsurance for most services	You pay a fixed copay for most services	You pay a fixed copay for most services
NEW Health Savings Account (HSA)	Available, including an annual contribution from UD up to \$500 (employee only coverage) \$1,000 (employee + spouse, employee + children/family coverage)	Not available	Not available
Health Care Flexible Spending Account (FSA)	Not available	Available	Available
NEW Limited Use Health Care FSA	Available	Not available	Not available
Out-of-pocket maximum	High Medical and prescription drug expenses are both applied to the out-of-pocket maximum.	High Separate for medical expenses and prescription drug expenses.	Low Separate for medical expenses and prescription drug expenses.

LIMITED USE FLEXIBLE SPENDING ACCOUNT (LUFSA) — WORKS WITH YOUR HEALTH SAVINGS ACCOUNT (HSA)

If you enroll in the CDHP, your HSA (Health Savings Account) helps save you money by reducing your taxes. You can use the Limited Use Flexible Spending Account (LUFSA) to further reduce your taxable income. A Limited Use account works differently than a FSA (Flexible Spending Account). Prior to meeting the annual deductible, you can use the funds in your account to pay for eligible dental and vision expenses only. After you have met the deductible, you may use your Limited Use account to pay for other eligible medical expenses as well.

The "use it or lose it" rule does apply to the Limited Use Account so you must use the funds in your account by the end of the year.

HOW DOES THE CDHP WORK?

A Consumer Driven Health Plan (CDHP) works much like the Core and Advantage PPO plans you're used to. In both the CDHP and PPO plans, the amount you pay depends on your monthly premium, and how much you use healthcare. The CDHP is different, because it offers:

- **Lower premiums** in exchange for a **higher deductible**. This means you pay less from your paycheck and more at the time you need care, until you reach your deductible.
- **Coinsurance, a different way to pay**. Once you reach your deductible, you and the plan share the cost of in-network healthcare services and prescription drugs. You pay 20% of the cost, and the plan pays 80%.
- **Up to \$500** (employee only coverage) or **\$1,000** (employee + spouse, employee + children/family coverage) from the University in a tax-advantaged account. Plus, flexibility to use the funds when you need them – now or in future years, and freedom to take the funds with you wherever you go.

The CDHP has the following five basic components.



Preventive care: The plan provides 100% coverage for all eligible routine preventive medical care services. There is no deductible, coinsurance or copay required for in-network preventive care, no matter which plan you choose.



Coinsurance: Once you meet your deductible, you will share the cost of service or prescription drug with the plan through coinsurance. The plan will pay 80% and you will pay 20% until you reach your out-of-pocket maximum.



Premiums: This is the amount you pay out of each paycheck to be covered by a health plan. The CDHP has lower premiums than the Core and Advantage plans.



Out-of-pocket maximum: The plan limits the total amount you will pay each year for healthcare. Once you meet your out-of-pocket maximum, the plan pays 100% of your eligible, in-network expenses for the remainder of the year. Your prescription costs also count toward reaching your out-of-pocket-maximum.



Deductible: This is the amount you pay out of your pocket before the plan will start helping you pay for care. The CDHP has a higher deductible than the Core and Advantage plans but your prescription drugs also count toward reaching your deductible, unlike those plans. Also, if you enroll in family coverage, each family member's expenses work together to help you meet your deductible. In fact, one covered family member alone could meet the deductible for the entire family.

CDHP WITH HSA: HOW THEY WORK TOGETHER

How to Use Your HSA

Together, your contributions and the University of Dayton can help cover your deductible and coinsurance.

Preventive care
Covered at 100%.

Deductible
The amount you pay before the plan will begin paying for care.

Coinsurance
You and the plan share a percentage of the costs until you meet the out-of-pocket maximum.

Out-of-pocket Maximum
Your safety net. Once met, the plan pays 100% of in-network costs.

INTRODUCING THE HEALTH SAVINGS ACCOUNT (HSA)

A Health Savings Account (HSA) is a tax-advantaged savings account you can use for eligible healthcare expenses. There are many advantages to having an HSA, such as:

- The University of Dayton contributes up to **\$500** (employee only coverage) or **\$1,000** (employee + spouse, employee + children/family coverage) to cover your eligible medical expenses — now, or in the future.
- You can contribute, too, and use it like a savings account for your healthcare expenses.
- You benefit from triple-tax savings:
 - You make contributions tax-free
 - You earn interest on your account balance tax-free, and
 - You can withdraw money tax-free to pay for eligible healthcare expenses
- Money in your account is always yours — there is no “use it or lose it” rule like there is with the Healthcare Flexible Spending Account. Your money rolls over from year to year, so you can save for the future!

- Your HSA is yours to keep — you can take it with you if you leave the University of Dayton, and even use it to pay for eligible healthcare expenses during retirement.
- Funds deposited to your HSA earn interest and can be invested — save and watch your account balance grow!

See below for the University of Dayton’s 2017 HSA contribution amounts, and the 2017 IRS annual contribution limits.

	Employee only	Employee + spouse, Employee + children/family coverage
University contributes	\$500	\$1,000
You can contribute up to	\$2,900	\$5,750
Maximum 2017 contribution	\$3,400	\$6,750
Catch up contribution*	\$1,000	\$1,000

**Eligible individuals who are age 55 and over are allowed to make additional “catch-up” contributions to their HSA.*

100%

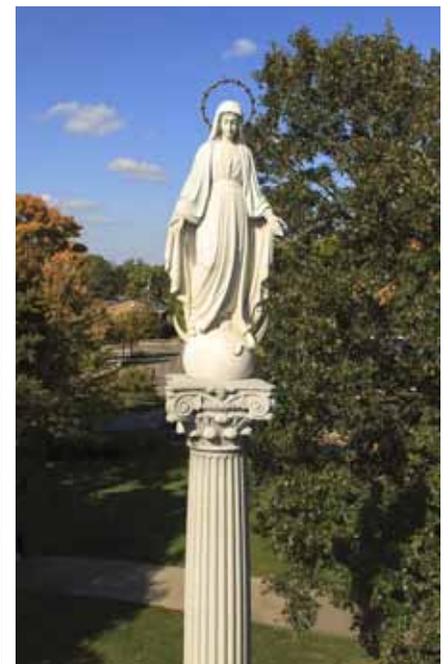
How much of your HSA balance rolls over from year to year.

100%

How much of your HSA account balance you can take with you if you retire or leave the University of Dayton.

0%

Taxes you pay on the money you contribute to the HSA or withdraw for qualified medical expenses.



PUTTING IT ALL TOGETHER

The Consumer Driven Health Plan (CDHP) and the Health Savings Account (HSA) can work together to save you money. Low premiums and a tax-free account can go a long way. Here are two examples:



Matt makes \$34,000 each year, needs coverage for himself only, and is generally pretty healthy. He enrolls in the CDHP and has a deductible of \$2,000. He decides to contribute \$500 to his HSA, in addition to the \$500 contribution from the University. These are Matt's expenses for the year:

Matt's Premiums	
\$38/month	\$456

Matt's Medical Care	
Preventive exam	100% covered (Free)
Doctor's visit for strep throat	\$100
Urgent care visit for sprained ankle	\$250
Prescription antibiotics	\$25
Total Cost for Medical Care Matt Received	\$375

How Matt Used His HSA	
Matt's HSA (Matt's + University contributions)	\$1,000
Matt used his HSA to pay for medical care	-\$375
Matt's HSA balance, which carries over to next year	\$625

Matt pays for all of his medical services from his HSA. He does not hit his deductible, so he is responsible for the full cost of his care. However, because of the low premiums, Matt is still able to save \$625 in his HSA, which will carry over and help him pay for medical expenses next year.

Sandy makes \$68,000 each year, and wants to cover herself, her husband, and her two children. She chooses to enroll in the CDHP, and, because of her family coverage, she has a deductible of \$4,000. In order to prepare for the medical expenses of four people, she contributes \$2,000 in addition to the \$1,000 from the University. These are Sandy's expenses for the year:

Sandy's Premiums	
\$123/month	\$1,476

Sandy's Family's Medical Care	
Four preventive exams	100% covered (Free)
Three doctor's office visits	\$750
Three urgent care visits	\$300
Prescription medications	\$175
One minor surgery	\$900
Total Cost for Medical Care for Sandy's Family	\$2,125

How Sandy Used Her HSA	
Sandy's HSA (Sandy's + University contributions)	\$3,000
Sandy used her HSA to pay for medical care	-\$2,125
Sandy's HSA balance, which carries over to next year	\$875

Sandy's family did not reach the deductible but she is able to pay for all of her family's care from her HSA. The remaining \$875 stays in her account and rolls over to next year.

