

High Deductible Health Plan (HDHP)

Government Finance Committee

February 12, 2014

Legislation – House Bill 1364

- Legislation introduced and approved in 2011 session .
- ▶ 54–52.1–18. High–deductible health plan alternative with health savings account option.

The board shall develop and implement a high–deductible health plan as an alternative to the plan under section 54–52.1–06. The high–deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. The high–deductible health plan alternative may be offered, at the discretion of the board, to political subdivisions after June 30, 2013. Health savings account fees for participating state employees must be paid by the employer. Subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the single and family premium for eligible state employees under section 54–52.1–06 and the premium for those employees electing to participate under the high–deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee. Each new employee of a participating employer under this section must be provided the opportunity to elect the high–deductible health plan alternative. At least once each biennium, the board shall have an open enrollment period allowing existing employees of a participating employer under this section to change their coverage.

Health Savings Account (HSA)

What is a Health Savings Account?

A HSA allows participants to set aside funds to pay for qualified medical expenses for themselves, their dependents or spouse.

Health Savings Account (HSA)

Plan Features:

- Account is set up and is owned by the participant.
- The State contributes to the account.
- Participants may make after tax contributions.
- Funds withdrawn are tax-free.
- Funds can be used to pay for qualified out-of-pocket medical expenses such as deductibles and coinsurance amounts.
- Account funds rollover from year to year; no balance limit.
- Account is portable if change jobs or relocate.

Eligibility

- Permanent employees of State or University System.
- Same eligibility requirements as grandfathered PPO/Basic Plan.
- Not eligible if:
 - Covered under a spouse's employer's health plan that is not an HDHP.
 - Covered by Medicare/Tricare.
 - Covered under a flexible medical spending or health reimbursement account.

Enrollment

- First available to existing employees during fall 2011 annual enrollment with coverage effective 1/1/2012.
- Available to new employees hired beginning 1/1/2012.
- Employees have option to enroll or drop coverage each year during annual enrollment; change is effective January 1.
- Cannot enroll if there is a balance remaining in a flexible medical spending account on December 31.

HDHP Plan Design

- Is a non-grandfathered plan – all ACA changes are incorporated in plan design.
- PPO/Basic benefits.
- Higher out-of-pocket deductibles and coinsurance.
- No office visit or prescription drug copayments.
- Comprehensive plan – participant can exceed the individual deductible/coinsurance maximums if has family plan.

HDHP Plan Design

PLAN	INDIVIDUAL	FAMILY
PPO		
Deductible	\$1,500	\$3,000
Coinsurance 80/20	<u>\$1,500</u>	<u>\$3,000</u>
Total out-of-pocket (OOP)	\$3,000	\$6,000
BASIC		
Deductible	\$1,500	\$3,000
Coinsurance 75/25	<u>\$2,000</u>	<u>\$4,000</u>
Total out-of-pocket (OOP)	\$3,500	\$7,000

Premiums / HSA Contribution

Monthly Premium
(Single/Family)

Monthly HSA Contribution
(paid by State)

\$981.68

Single: \$ 60.74 (\$728.88 ann.)

Family: \$147.00 (\$1,764.00 ann.)

Participation

Current Participation:

	Contracts	Members
Single:	70	70
Family:	65	210
Total	135	280



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

NDPERS High Deductible Health Plan

This overview describes a high deductible health plan designed to comply with Section 223 of the Internal Revenue Code and intended for use with a Health Savings Account (HSA). Blue Cross Blue Shield of North Dakota (BCBSND) is not authorized to provide legal or tax advice to members. BCBSND expressly disclaims responsibility for, and makes no representation or warranty regarding: (1) the eligibility of any member to establish or contribute to an HSA; or (2) the suitability of this product in all circumstances for use with HSAs.

This is not a grandfathered Benefit Plan under the Patient Protection and Affordable Care Act (PPACA).

An overview of benefits and services provided by this plan.



This benefit plan covers these services and more.

Who is eligible for benefits?

If you have family coverage, benefits are available for you, your spouse and eligible children. Eligible children include:

- Children under age 26. Coverage will be continued until the end of the month in which the child becomes age 26.
- Children placed with you or your covered spouse for adoption, or children which you or your covered spouse have legal guardianship or are court ordered to provide health benefits.
- Grandchildren of yours or your covered spouse if:
 - The parent of the grandchild is unmarried.
 - The parent of the grandchild is a covered eligible dependent.
 - The parent and grandchild are primarily dependent on you or your covered spouse for their support.
- Children incapable of self-support because of mental retardation or a physical handicap that began before they reached 26 years of age and who are primarily dependent on you or your covered spouse.

Outpatient prescription drug benefits.

Benefits are available nationwide at any pharmacy participating in the preferred pharmacy network. To locate a participating pharmacy, call the special toll-free number listed on the back of your ID card. When you use this national network, your claims are filed for you.

Prescription drugs are categorized as formulary, nonformulary, nonpayable or restricted-use drugs. A restricted-use drug may have a dispensing limit and/or require prior approval.

When a generic drug is available but not accepted, the member is responsible for the difference between the cost of the generic and brand name drug. Prescriptions filled at a nonparticipating pharmacy must be paid in full and a paper claim submitted. All costs above the allowance are the member's responsibility.

Preventive screening services.

Well child care for members to the member's 6th birthday according to guidelines supported by the Health Resources and Services Administration.

Preventive screening services for members age 6 and older according to A or B Recommendations of the U.S. Preventive Services Task Force and issued by the Health Resources and Services Administration, including:

- Routine physical examination
- Routine diagnostic screenings
- Mammography screening (for members age 35 and older)
- Cervical cancer screening
- Colorectal cancer screening (for members age 50 through 75)
 - Fecal occult blood testing and
 - Colonoscopy or
 - Sigmoidoscopy
- Certain nutritional counseling
- Tobacco cessation services

Benefits other than those recommended by the U. S. Preventive Services Task Force will be subject to cost sharing amounts. Refer to the benefit plan for further details.

A health care provider will counsel members as to how often preventive services are needed based on the age, gender and medical status of the member.

This benefit grid presents a brief overview of covered services and payment levels of this product. It should not be used to determine whether your health care expenses will be paid. The written benefit plan governs the benefits available.

Description of Benefits	PPO		Basic Plan		Special Conditions
	Benefit Amount as a % of the allowed charge after the deductible is met.				
	Before out-of-pocket maximum is met	After out-of-pocket maximum is met	Before out-of-pocket maximum is met	After out-of-pocket maximum is met	
Inpatient Hospital Services	80%	100%	75%	100%	Preauthorization may be required.
Outpatient Hospital Services	80%	100%	75%	100%	
Physical Therapy	80%	100%	75%	100%	Benefits are based on the medical guidelines established by Blue Cross Blue Shield of North Dakota.
Occupational & Speech Therapy	80%	100%	75%	100%	Benefits are available for 90 consecutive calendar days per condition beginning on the date of the 1st therapy treatment for the condition. Additional benefits may be allowed after the 90 days when medically appropriate and necessary.
Professional Health Care Provider Services					
Inpatient, Outpatient & Surgical Services	80%	100%	75%	100%	
Wellness Services					
Immunizations	100%	100%	100%	100%	Deductible does not apply.
Well Child Care <i>(to member's 6th birthday)</i>	100%	100%	100%	100%	Deductible does not apply.
Preventive Screening Services <i>(members 6 and older)</i>	100%	100%	100%	100%	Benefits other than those recommended by the U.S. Preventive Services Task Force and issued by the Health Resources and Services Administration will be subject to cost sharing amounts. The number of visits for these services may vary by age group. Refer to the benefit plan for details. Deductible does not apply.
Colonoscopy or Sigmoidoscopy	100%	100%	100%	100%	
Mammography, Pap Smear & Fecal Occult Blood Testing	100%	100%	100%	100%	Deductible does not apply to these services.
Tobacco Cessation Services	100%	100%	100%	100%	Prescription and payable over-the-counter tobacco cessation medications or drugs must be obtained with a prescription order. Deductible does not apply.
Related Office Visit	100%	100%	100%	100%	Deductible does not apply.
Contraceptive Services	100%	100%	100%	100%	Prescription contraceptives obtainable with a prescription order are paid under the Outpatient Prescription Medications or Drugs benefit below. Deductible does not apply.
Related Office Visit	100%	100%	100%	100%	Deductible does not apply.
Home & Office Visits	80%	100%	75%	100%	
Diagnostic Services					
Lab, X-ray, MRI	80%	100%	75%	100%	
Allergy Testing	80%	100%	75%	100%	
Radiation Therapy, Chemotherapy & Dialysis	80%	100%	75%	100%	
Maternity Services	80%	100%	75%	100%	
Inpatient, Outpatient, Pre & Postnatal Care					
Psychiatric & Substance Abuse Services	80%	100%	75%	100%	Preauthorization may be required. Refer to the benefit plan for details.
Inpatient, Partial Hospitalization & Residential Treatment					
Intensive Outpatient Program & Outpatient Services	80%	100%	80%	100%	
Emergency Services	80%	100%	80%	100%	Preauthorization is not required.
Professional Health Care Provider Visit	80%	100%	80%	100%	
Emergency Room Charge	80%	100%	80%	100%	
Ambulance Services	80%	100%	75%	100%	
Skilled Nursing Facility Services	80%	100%	75%	100%	Preauthorization is required.
Home Health Care Services	80%	100%	75%	100%	Preauthorization is required.
Hospice Services	80%	100%	75%	100%	Preauthorization is required.
Chiropractic Services					
Home & Office Visits	80%	100%	75%	100%	
Therapy & Manipulations	80%	100%	75%	100%	
Diagnostic Services	80%	100%	75%	100%	
Medical Supplies & Equipment	80%	100%	75%	100%	

Description of Benefits	PPO/Basic Plan		Special Conditions
	Amounts are a % of the allowed charge after the deductible is met.		
	Before out-of-pocket maximum is met	After out-of-pocket maximum is met	
Outpatient Prescription Medications or Drugs			Formulary contraceptive drugs obtainable with a prescription order are paid at 100% of allowed charge. Deductible does not apply.
Formulary	80%	100%	
Nonformulary	50%	50%	

Cost Sharing Amounts

	PPO	Basic
Single Coverage		
Deductible amount	\$1,500	\$1,500
Coinsurance maximum	\$1,500	\$2,000
Out-of-pocket maximum	\$3,000	\$3,500
Family Coverage		
Deductible amount	\$3,000	\$3,000
Coinsurance maximum	\$3,000	\$4,000
Out-of-pocket maximum	\$6,000	\$7,000

This chart reflects the cost sharing amounts for each benefit period. PPO and Basic amounts accumulate jointly.

Preferred Provider Organization (PPO)

The Preferred Provider Organization (PPO) is a group of hospitals, clinics and physicians who have agreed to discount their services to Members of NDPERS. You have "freedom of choice" in selecting which physician or medical facility to use for services. No referral is needed. If you choose a provider who participates in the PPO program, you will have lower out-of-pocket expenses. PPO benefits are only available in the state of North Dakota, unless the medical facility provides services at a satellite location in another state.



Call toll-free 1-800-223-1704
 Fargo area call 282-1400
www.BCBSND.com

For premium rates and further details of the coverage, including definitions; exclusions; criteria for medically appropriate and necessary care; credentialing process; confidentiality policy; description of experimental drugs, medical devices or treatments; grievance and appeals process; provider listings; drugs eligible for coverage; reductions or limitations; and the terms under which this benefit plan may be continued, see your Account Executive or write to Blue Cross Blue Shield of North Dakota.