



# Kentucky Employees' Health Plan

## CDHP vs. PPO



## Technical Information

- Ask questions through computer
- Donna and I will answer as many questions as we can
- Questions left unanswered will be gathered and added to the website FAQs
- Video of all presentations will be on the [KEHP.ky.gov](http://KEHP.ky.gov) website



## What You Will Learn

- How to choose which type of plan is best for you
- How to estimate your total out-of-pocket expenses – costs you pay for medical and pharmacy use, plus the cost of your monthly premium
- How the employer-funded Health Reimbursement Account (HRA) helps lower your deductible



## Which type of plan is right for you

- Personal choice
- What we know
  - Kentucky ranked 50<sup>th</sup> in smoking, 40<sup>th</sup> in obesity, 50<sup>th</sup> in cancer deaths; 44<sup>th</sup> overall in major health status categories
  - 80% of plan costs are due to chronic diseases
  - Only 60% of members receive one annual preventive screening
  - 40% of members don't meet their annual deductible, but 62% are in the most expensive plan
  - Only 2 – 3% of members reach their annual out-of-pocket maximum



# Which type of plan is right for you

- What you should know





## Which type of plan is right for you

- What you should know:

Premium + Out-of-Pocket = Your Total Cost



# Benefits Analyzer

## DID YOU KNOW?

The chart below summarizes your healthcare expenses – health insurance premiums and out-of-pocket expenses such as co-payments, co-insurance, and deductibles. In addition to your share of these expenses, your employer also pays a share of your healthcare costs in the form of an employer premium contribution. The chart also shows the total of claims paid by KEHP on your behalf, which is funded by employer and employee premium contributions.



\* Based on claims/services filed and paid from January 1 – June 30 2013  
 \*\* KEHP paid amount includes any KEHP-provided HRA/Benefit Allowance amount.

## 2014 OPTIONS – ESTIMATED COSTS

The following table compares your estimated costs for each 2014 plan option. This calculation is based on your historical claims data from the past 12 months with the assumption you will continue with your current coverage level (i.e. single, couple, parent plus or family). Use this comparison to help select your health plan option for next year if you think your use of healthcare services will be similar. If you anticipate changes to your use of healthcare services, see the Things to Think About section of this document.

Reminder: Your 2013 health plan is Maximum Choice

Health plan	* Your annual premiums	** Your estimated expenses	*** HRA Amount	Your estimated total cost
LivingWell CDHP	\$1,085	\$2,551	(\$500)	\$3,136
Standard CDHP	\$1,266	\$2,512	(\$500)	\$3,278
LivingWell PPO	\$0	\$4,552	\$0	\$4,552
Standard PPO	\$1,674	\$3,032	\$0	\$4,706

\* Your annual premiums are estimated based on persons covered during the previous 12 months. You should review the new premium rates for your plan options if the number of covered people under your contract for 2014 will be different than the number of people that were covered under your contract over the previous 12 months.  
 \*\* Your estimated expenses are out-of-pocket estimates based on your previous 12 months of healthcare services and costs.  
 \*\*\* The HRA amount is displayed as the lesser of "Your estimated expenses" or your maximum "HRA Amount".

Your projected lowest cost option for 2014 coverage is: **LivingWell CDHP**



# Benefits Analyzer

<b>Your Costs</b>	<b>2012</b>	<b>2013*</b>
Type of Service	Total	Total
Office Visits	\$20	\$20
Preventive Visits	\$0	\$0
Emergency Room Visits	\$50	\$50
Hospital Services and/or Costs	\$0	\$0
Major Outpatient	\$350	\$175
Radiology and Lab	\$60	\$30
Chiropractic	\$0	\$0
Therapy	\$0	\$0
Other Medical Services **	\$135	\$180
Prescriptions Drugs	\$218	\$134
<b>Total</b>	<b>\$833</b>	<b>\$589</b>
<b>KEHP provided HRA/Benefit Allowance amount</b>	<b>\$500</b>	<b>\$1000</b>
<b>Total Out-of-Pocket expense</b>	<b>\$333</b>	<b>\$0</b>

\* Based on services reported and paid from January 1 - June 30, 2013

\*\* Other Medical Services include drugs provided by a hospital or physician, medical supplies, and diagnostic services.



# Benefits Analyzer

## 2014 OPTIONS – ESTIMATED COSTS

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\*\* Your estimated expenses are out-of-pocket estimates based on your previous 12 months of healthcare services and costs.

\*\*\* The HRA amount is displayed as the lesser of "Your estimated expenses" or your maximum "HRA Amount".

**Your projected lowest cost option for 2014 coverage is: *LivingWell CDHP***

## KEHP 2014 Benefits Grid – Key Focal Points

Plan Options	LivingWell CDHP		LivingWell PPO		Standard PPO		Standard CDHP	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Lifetime Maximum</b>	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
<b>Health Reimbursement Account (HRA)</b>	Single \$500; Family \$1,000		Not Applicable		Not Applicable		Single \$250; Family \$500	
<b>Annual Deductible</b>	Single \$1,250 Family \$2,500	Single \$2,500 Family \$5,000	Single \$500 Family \$1,000	Single \$1,000 Family \$2,000	Single \$750 Family \$1,500	Single \$1,500 Family \$3,000	Single \$1,750 Family \$3,500	Single \$3,000 Family \$6,000
	Applies to both medical & prescription drug benefits		Excludes prescription drug co-pays		Excludes prescription drug co-pays		Applies to both medical & prescription drug benefits	
<b>Annual Out-of-Pocket Maximum</b>	Single \$2,500 Family \$5,000	Single \$5,000 Family \$10,000	Single \$2,500 Family \$5,000	Single \$5,000 Family \$10,000	Single \$3,500 Family \$7,000	Single \$7,000 Family \$10,000	Single \$3,500 Family \$7,000	Single \$7,000 Family \$10,000
Deductibles & Out-of-Pocket Maximums for In-Network and Out-of-Network providers accumulate separately and do not cross apply.								
<b>Co-Insurance</b>	Plan: 85% Member: 15%	Plan: 60% Member: 40%	Plan: 80% Member: 20%	Plan: 60% Member: 40%	Plan: 70% Member: 30%	Plan: 50% Member: 50%	Plan: 70% Member: 30%	Plan: 50% Member: 50%
<b>Doctor's Office Visits</b>	Deductible then 15%	Deductible then 40%	Co-Pay: \$25 PCP; \$45 Specialist	Deductible then 40%	Deductible then 30%	Deductible then 50%	Deductible then 30%	Deductible then 50%

Prescription Drugs	<i>Administered by Express Scripts</i>							
<b>30-Day Supply</b>								
Tier 1 - Generic	Deductible then 15%	Deductible then 40%	\$10	Not Applicable	30%	Not Applicable	Deductible then 30%	Deductible then 50%
Tier 2 - Formulary			\$35*		Min \$10–Max \$25			
Tier 3 - Non-Formulary			\$55*		Min \$20–Max \$50 Min \$60–Max \$100			
<b>90-Day Supply</b> (Retail or Mail Order)	Deductible then 15%	Not Applicable	\$20	Not Applicable	30%	Not Applicable	Deductible then 30%	Not Applicable
Tier 1 - Generic			\$70		Min \$20–Max \$50			
Tier 2 - Formulary			\$110		Min \$40–Max \$100			
Tier 3 - Non Formulary					Min \$120–Max \$200			

## Non-Tobacco User Monthly Rates

LivingWell CDHP	Total Premium	Employer Contribution	Employee Contribution
Single	\$733.88	\$685.90	\$47.98
Parent Plus	\$1,045.20	\$922.22	\$122.98
Couple	\$1,603.94	\$1,315.96	\$287.98
Family	\$1,785.16	\$1,447.18	\$337.98
Family Cross-Reference	\$882.94	\$804.96	\$77.98

LivingWell PPO	Total Premium	Employer Contribution	Employee Contribution
Single	\$699.28	\$619.30	\$79.98
Parent Plus	\$995.94	\$767.96	\$227.98
Couple	\$1,528.34	\$1,015.36	\$512.98
Family	\$1,701.04	\$1,058.06	\$642.98
Family Cross-Reference	\$841.34	\$688.36	\$152.98

Standard PPO	Total Premium	Employer Contribution	Employee Contribution
Single	\$656.28	\$608.30	\$47.98
Parent Plus	\$934.70	\$811.72	\$122.98
Couple	\$1,434.36	\$1,146.38	\$287.98
Family	\$1,596.42	\$1,258.44	\$337.98
Family Cross-Reference	\$789.60	\$711.62	\$77.98

Standard CDHP	Total Premium	Employer Contribution	Employee Contribution
Single	\$641.50	\$628.52	\$12.98
Parent Plus	\$913.66	\$840.68	\$72.98
Couple	\$1,402.06	\$1,139.08	\$262.98
Family	\$1,560.48	\$1,247.50	\$312.98
Family Cross-Reference	\$771.82	\$738.84	\$32.98



## CDHP vs. PPO – Example Single Coverage Level

<b>LivingWell CDHP - Single</b>	
<b>HRA: \$500</b>	
In-Network	
<b>Annual Deductible</b>	Single \$1,250
<b>Annual OOP Max</b>	Single \$2,500
<b>Co-Insurance</b>	85%/15%
<b>Pharmacy</b>	Tier 1 – Ded/15% Tier 2 – Ded/15% Tier 3 – Ded/15%

### **Non-Tobacco Premium**

Monthly: \$47.98

Annual: \$575.76

<b>LivingWell PPO - Single</b>	
<b>HRA: Not Applicable</b>	
In-Network	
<b>Annual Deductible</b>	Single \$500
<b>Annual OOP Max</b>	Single \$2,500
<b>Co-Pay</b>	\$25 PCP; \$45 Specialist
<b>Co-Insurance</b>	80%/20%
<b>Pharmacy</b>	Tier 1 – \$10 Tier 2 – \$35 Tier 3 – \$55

### **Non-Tobacco Premium**

Monthly: \$79.98

Annual: \$959.76





# CDHP vs. PPO – Example Single Coverage Level

	<b>Total Cost</b>	<b>LW CDHP Your Cost</b>
Office Visit	\$100	\$100 (Ded/15%)
Drug	\$50	\$50 (Ded/15%)



	<u>\$500 HRA</u>	
<b>Office Visit:</b>	- \$100	<b>\$0</b>
<b>Drug:</b>	- \$50	<b>\$0</b>
		<hr/> <b>\$0</b>





# CDHP vs. PPO – Example Single Coverage Level

	<b>Total Cost</b>	<b>LW CDHP Your Cost</b>	<b>LW PPO Your Cost</b>
Office Visit	\$100	\$100 (Ded/15%)	\$25 (Co-Pay)
Drug	\$50	\$50 (Ded/15%)	\$35 (Tier 2 Co-Pay)



	<u>\$500 HRA</u>		
<b>Office Visit:</b>	- \$100	<b>\$0</b>	<b>\$25</b>
<b>Drug:</b>	- \$50	<b>\$0</b>	<b>\$35</b>
		<hr/> <b>\$0</b>	<hr/> <b>\$60</b>





## CDHP vs. PPO – Example Single Coverage Level

**LW CDHP**



**You Pay**



**\$0** (\$150 from HRA)



**\$1,250 Deductible**

- \$150 Medical & Pharmacy

**\$1,100 Balance**

**\$2,500 OOP Max**

- \$150 Medical & Pharmacy

**\$2,350 Balance**

**LW PPO**



**You Pay**



**\$60** (\$25 medical; \$35 pharmacy)



## CDHP vs. PPO – Example Single Coverage Level

### LW CDHP



You Pay



**\$0** (\$150 from HRA)



**\$1,250 Deductible**  
- \$150 Medical & Pharmacy  
**\$1,100 Balance**

**\$2,500 OOP Max**  
- \$150 Medical & Pharmacy  
**\$2,350 Balance**

### LW PPO



You Pay



**\$60** (\$25 medical; \$35 pharmacy)



**\$500 Deductible**  
- \$25 Medical Co-Pay  
**\$475 Balance**

**\$2,500 OOP Max**  
- \$25 Medical Co-Pay  
**\$2,475 Balance**

**\$2,500 OOP Max**  
- \$35 Pharmacy Co-Pay  
**\$2,465 Balance**



## CDHP vs. PPO – Example Single Coverage Level

- Savings in premium can be used toward claims that reduce your deductible

LivingWell CDHP – \$1,250 deductible; \$500 HRA

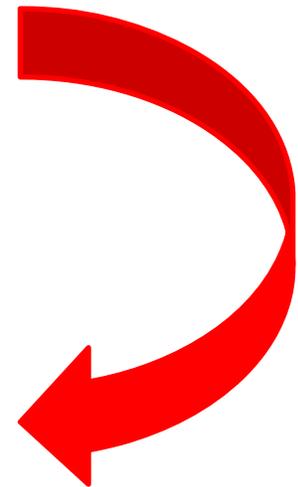
$\$47.98 * 12 = \$575.76/\text{annual premium}$

LivingWell PPO – \$500 deductible

$\$79.98 * 12 = \$959.76/\text{annual premium}$

\$1,250	(Deductible)
- \$500	(HRA)
<b>\$750</b>	(Reduced Deductible)

\$750	(HRA Reduced Deductible)
- \$384	(Premium Savings)
<b>\$366</b>	(Premium Savings Reduced Deductible)



# Online Tools: MyHumana.com

MyHumana Home | My Profile | My Messages | Help | Log out

Welcome, [Redacted]  
August 12, 2013

MyHumana » My Plans & Coverage | Doctors | My Claims & Spending | HumanaVitality

**Account Summary**  
Medical Plan > [View](#)  
PREFERRED PROVIDER ORGANIZATION

**In-Network Deductible**

Limit	\$740.00
Paid	\$0.00
Remaining	\$740.00

**Other Helpful Links**  
> [Spending Accounts Details](#)  
 [Messages \(2\)](#)

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EARN POINTS. REAP REWARDS. REPEAT.  
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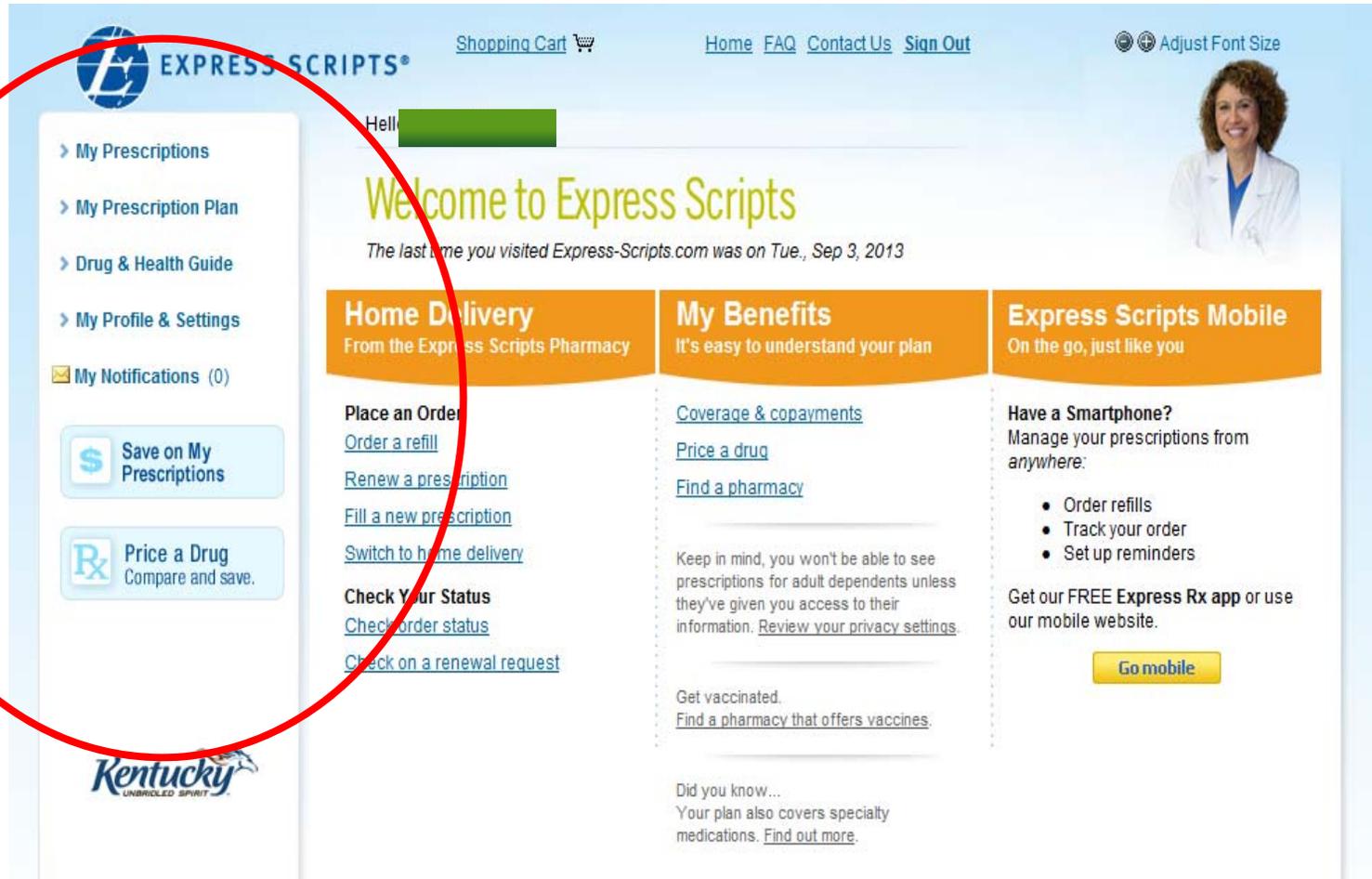
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**HUMANA Vitality**  
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**Bronze**  
5724 Vitality Bucks  
[VIEW MY DASHBOARD](#)

**Quick Access to the information you need fast**

- Claims Information**  
Review medical, dental, Rx claim details year-to-date spending, and more
- Doctors & Rx Tools**  
Get details about doctors and hospitals, healthcare services, drugs, and more
- Plan Information**  
Find benefit details, order an ID card, view your effective date, and more

# Online Tools: Express-Scripts.com



The screenshot shows the Express-Scripts.com website. At the top, there is a navigation bar with the Express-Scripts logo, a shopping cart icon, and links for Home, FAQ, Contact Us, and Sign Out. A user greeting "Hello [redacted]" is visible. The main content area features a "Welcome to Express Scripts" message with a date reference. Below this are three main sections: "Home Delivery" (with links for placing orders, renewing prescriptions, and checking status), "My Benefits" (with links for coverage, pricing, and pharmacy finding), and "Express Scripts Mobile" (promoting a smartphone app). A sidebar on the left contains navigation links for prescriptions, plans, guides, and settings, along with buttons for saving on prescriptions and pricing drugs. The Kentucky logo is at the bottom left of the page.

# Online Tools: Express-Scripts.com

## Price a medication

[Price another medication](#) | :

### PATIENT

[REDACTED]

### Recent searches:

Patanol 0.1%

### You searched for:

#### Patanol 0.1% Eye Drops (5 units)

0.1% Drops, Brand  
Alcon Labs.

[View drug information](#) | [Recalculate](#)

[View formulary alternatives](#)

Pharmacy / day's supply	Is this drug covered?	Qty	You pay	Annual cost	Add to drug list
Home delivery pharmacy 90-day supply	<input checked="" type="checkbox"/> <b>YES</b> <a href="#">View coverage notes</a>	3	<b>\$370.06</b> TotalCost: \$370.06 <a href="#">Explain my costs</a>	<a href="#">Get annual costs</a>	<a href="#">Add</a>
Retail 30-day supply	<input checked="" type="checkbox"/> <b>YES</b> <a href="#">View coverage notes</a>	1	<b>\$134.30</b> TotalCost: \$134.30 <a href="#">Explain my costs</a>	<a href="#">Get annual costs</a>	<a href="#">Add</a>



## Flexible Spending Account

- **Flexible Spending Accounts**

- FSAs allow you (if your agency participates) to set aside money from each paycheck **before taxes** to pay for certain healthcare and dependent care expenses for yourself or members of your household
  - Funds are **pre-loaded on a HumanaAccess<sup>SM</sup> Visa<sup>®</sup> card** for Healthcare FSA
  - Members should only set aside as much as they will use during the current calendar year
    - An FSA is a **use it or lose it account**
  - Funds can only be used for 2014 plan year expenses





## Flexible Spending Account

- **Healthcare FSA**
  - Covers eligible health care expenses
  - FSA funds can be used for family members
  - 2014 limit for contributions to a Healthcare FSA is \$2,500 per employee
  - FSA funds can be used to pay for:
    - Medical and prescription deductibles, co-payments and co-insurance
    - Certain dental fees such as cleanings, fillings and crowns
    - Orthodontic treatment
    - Vision fees including contacts, eyeglasses and laser vision correction
    - Medical supplies such as wheelchairs, crutches and walkers



## What We Covered

- How to choose which type of plan is best for you
- How to estimate your total out-of-pocket expenses – costs you pay for medical and pharmacy use, plus the cost of your monthly premium
- How the employer-funded Health Reimbursement Account (HRA) helps lower your deductible



## Reminders: Open Enrollment 2014

- Enroll or waive between Oct. 1 and Oct. 31
- Designated enrollment dates for KHRIS ESS
- Complete paper application if you cross-reference
- Review your Open Enrollment packet or go to [KEHP.ky.gov](http://KEHP.ky.gov) for:
  - Plan information
  - Customer service hours
  - Contact information
  - FAQs and other resources