A FRESH APPROACH TO HEALTH CARE

Consumer-Driven Health Plan (CDHP)

HealthFlex CDHPs
A Different Type of Health Coverage

By offering the HealthFlex consumer-driven health plan (CDHP), your annual conference or employer is joining a trend in health care benefits—one which encourages participants to become more proactive in deciding how health care dollars are spent. Because of how the HealthFlex CDHPs are designed, you may be more inclined to carefully consider quality of care, cost and other factors as you choose health care providers and services to address your health needs.

HealthFlex has developed CDHPs that encourage our participants to be value-directed consumers of health services, complemented by the HealthFlex comprehensive wellness initiatives.

This document will help you understand how a HealthFlex CDHP works for you.

Table of Contents

What Is a CDHP? ........................................ 2
CDHP Benefits .......................................... 3
How the HealthFlex CDHP Works ............... 4
Steps You Can Take to Manage
    Your Health Expenses ......................... 5
Debit Card Usage with the HRA............... 6
CDHP Reference Guide ......................... 7
Consumer Education Tools .................... 8
Learn More About the CDHP
    and Your HealthFlex Benefits ............ 9
What Is a CDHP?

A CDHP is a type of health coverage that allows your employer to fund a health reimbursement arrangement (HRA, also called a “health reimbursement account”) that you may use to pay out-of-pocket health care expenses, while a high-deductible health coverage plan protects you from catastrophic medical expenses. The CDHP plan design encourages you to more actively choose your health care providers, manage your health expenses, and improve your health with respect to factors that you can control—while saving or spending the HRA funding provided by the plan sponsor/employer.

HRA Funding
An HRA is an Internal Revenue Service (IRS)-approved program that allows employers to reimburse eligible medical expenses incurred by participating employees as tax-free medical benefits to offset health care costs. HealthFlex allows credit balances in your HRA account to roll over from year to year somewhat like a savings account, with no limit to the amount rolled over. A HealthFlex HRA reimburses all eligible items covered by a medical flexible spending account (FSA, also called medical reimbursement account or MRA) that are not covered by the CDHP benefit design, including dental and vision expenses.

CDHP—A Different Type of Plan
Use of the HRA makes the CDHP truly different from health coverage you may have had in the past. The HRA is similar to a savings account designated specifically for eligible health-related expenses, such as deductibles, co-payments, prescription medications and/or medical expenses that are not covered by your health plan or prescription drug plan.

The HealthFlex CDHPs have a deductible per individual (combined medical and behavioral health) that you must meet before the plan pays for any medical or behavioral health benefits. The HRA can assist you in paying this deductible (and other eligible expenses). You have the choice to use your HRA or not, which means you can roll over any unspent HRA funds from one year to the next, so your HRA account can grow for future needs. (See “How the HealthFlex CDHP Works” on page 4.)

CDHP: A “Consumer” Health Plan
A CDHP is a type of health coverage that encourages covered individuals to be informed and thoughtful consumers of health care services, much like they would be informed and thoughtful when purchasing other goods and services. The CDHP plan structure motivates participants to take a more active role in selecting their health care providers, managing their health expenses, and improving their overall health through good nutrition, exercise and other factors that they can control.

For example, you might fill a prescription by choosing a generic therapeutic equivalent medication or a generic alternative medication (when available) instead of a more expensive name-brand drug, or you might go to an urgent care center rather than a hospital emergency room for a non-life-threatening medical concern.

Important: Always seek the appropriate level of care for your or your family’s medical needs. While the HealthFlex CDHP fosters consumerism by encouraging participants to seek cost-saving measures when appropriate, it in no way expects participants to choose inappropriate or insufficient levels of care as a way to save money.
## CDHP Benefits*

<table>
<thead>
<tr>
<th>Health Reimbursement Account (HRA)</th>
<th>Plan sponsor-funded; amount depends on which plan is selected</th>
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</thead>
<tbody>
<tr>
<td>Medical</td>
<td><strong>1.</strong> Plan (HealthFlex) pays:</td>
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<tr>
<td></td>
<td>• Preventive care: 100% for defined services</td>
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<tr>
<td></td>
<td>• Other medical services: a percentage of allowable charges (co-insurance) after participant’s deductible is met</td>
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<tr>
<td></td>
<td><strong>2.</strong> Participant responsibility (participant pays):</td>
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<tr>
<td></td>
<td>• Combined deductible: participant must meet combined medical and behavioral health deductible before the plan pays for most non-preventive medical expenses</td>
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<tr>
<td></td>
<td>• A percentage of allowable charges for remaining medical and behavioral health services after the deductible has been met (co-insurance)</td>
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<tr>
<td></td>
<td>• Out-of-pocket maximum (for combined medical, pharmacy and behavioral health services): includes deductible, co-payments and co-insurance</td>
</tr>
<tr>
<td>Pharmacy</td>
<td><strong>1.</strong> No deductible</td>
</tr>
<tr>
<td></td>
<td><strong>2.</strong> Participant pays (co-payment):</td>
</tr>
<tr>
<td></td>
<td>• Generic prescriptions</td>
</tr>
<tr>
<td></td>
<td>- $15—for retail</td>
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<tr>
<td></td>
<td>- $35—for mail order</td>
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<tr>
<td></td>
<td>• Preferred brand-name drugs: 25% co-payment</td>
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<tr>
<td></td>
<td>- $25 minimum/$65 maximum—for retail</td>
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<tr>
<td></td>
<td>- $60 minimum/$150 maximum—for up to a 90-day fill by mail order</td>
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<tr>
<td></td>
<td>• Non-preferred brand-name drugs: 30% co-payment</td>
</tr>
<tr>
<td></td>
<td>- $50 minimum/$120 maximum—for retail</td>
</tr>
<tr>
<td></td>
<td>- $95 minimum/$260 maximum—for up to a 90-day fill by mail order</td>
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<tr>
<td></td>
<td>• Out-of-pocket maximum (for combined medical, pharmacy and behavioral health services): includes deductible, co-payments and co-insurance</td>
</tr>
</tbody>
</table>

*See the HealthFlex Benefit Booklet and other plan documents for full details, including benefits when an out-of-network provider is used.*
How the HealthFlex CDHP Works

See the *Summary of Benefits and Coverage* and other plan documents for specific plan information, including benefits when an out-of-network provider is used.

- Each year, your plan sponsor contributes to your HRA via the HealthFlex CDHP; amount depends on which plan is selected.
- Preventive services (such as annual checkups) and age-appropriate diagnostic tests (such as screening mammograms or colonoscopies) are covered by HealthFlex at no cost to you when in-network providers are used.
- For other medical services, you must first meet the deductible before the plan pays for services.
- After the appropriate deductible is satisfied, HealthFlex will pay a percentage of all remaining eligible expenses for in-network providers and you (the participant) will pay a percentage (your co-insurance)—up to the annual out-of-pocket maximum.
- If you choose to use out-of-network doctors, hospitals or other providers, your out-of-pocket costs may be higher, including a higher deductible, co-insurance and out-of-pocket maximum.
- You may use funds available in your HRA to pay your out-of-pocket expenses, including deductibles and co-payments. In addition, you can use the HRA to pay for dental and vision expenses. A detailed list of eligible expenses is available online from WageWorks (after you log in to HealthFlex/WebMD, select “HealthFlex Partners” then “WageWorks Reimbursement Accounts”).
- At the end of the plan year, unused HRA funds roll over for the next plan year. There is no limit to the amount that can accumulate in your HRA as long as you remain employed in or appointed to The United Methodist Church.
- You may combine the HRA with a health care FSA (also called a medical reimbursement account or MRA). Electing an FSA is optional for the CDHP or other HealthFlex plans. If you want to set aside money into an FSA, you must do so during the Annual Election period in November.
- If you elect an FSA, the FSA always pays first; then the HRA pays. This is because FSA dollars are subject to the “use it or lose it” rule for balances over $500, so you risk losing your unspent FSA dollars at the end of a plan year. In contrast, unlimited unspent HRA dollars roll over to the next year.
- HRA balances remaining at the time of retirement may be used for any eligible health care-related expenses, including retirement medical products and plans outside of HealthFlex.
You have more control over your health care expenditures than you may realize. Here are a few steps you can take to spend less on health care—without compromising the quality of care you receive:

- Fill prescriptions with generic medications instead of name-brand medications. Ask your doctor if a generic is available and appropriate.
- Fill maintenance (long-term) prescriptions by mail order, instead of using a retail pharmacy.
- Go to the doctor’s office or urgent care center—instead of a hospital emergency room—when you feel sick, or have symptoms or an injury that is not life-threatening or limb-threatening.
- Practice healthy habits to improve your overall well-being, including getting preventive screenings, managing chronic conditions, eating well and being active.

**Important:** Always seek the appropriate level of care for your or your family’s medical needs. While the HealthFlex CDHP fosters consumerism by encouraging participants to seek cost-saving measures when appropriate, it in no way expects participants to choose inappropriate or insufficient levels of care as a way to save money.

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### Preventive and Wellness Services Are Covered

We are committed to your good health. The CDHP—like all HealthFlex plans—covers preventive and wellness services at 100%. When in-network providers are used, you have no out-of-pocket costs (no co-insurance or deductible) for eligible preventive and wellness services, including checkups and age-appropriate preventive testing (such as routine blood tests, mammograms or colonoscopies).
Debit Card Usage with the HRA

Debit Card Adds Convenience
The convenience of a debit card will make using the HRA easy. In most cases, you can use the debit card to pay for eligible health expenses directly from your HRA—without filing paper claims. The debit card is accepted at any pharmacy, doctor’s office, dental office, eye doctor office, hospital or other health provider where the Visa logo is displayed.

If you have a health care FSA along with your HRA, you’ll use one debit card that combines the HRA and health care FSA. The debit card will draw first from the FSA, because FSA funds are subject to federal “use it or lose it” rules for balances over $500. After FSA funds are depleted, the debit card draws from the HRA. (Remember: Unlimited unused HRA money is rolled over to the next year.)

You will receive more instructions when the debit card is mailed to you.

Choose Your Plan During Annual Election
If your plan sponsor offers a CDHP in addition to another HealthFlex plan(s), you’ll be able to choose which plan is best for you during this year’s Annual Election period in November. Watch your mail for Annual Election information. If you don’t indicate your preference during Annual Election, you will be covered by your plan sponsor’s selected “default” plan option or your plan from the prior year, if still offered.
## Helpful Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CDHP</td>
<td>Consumer-driven health plan</td>
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<tr>
<td>FSA</td>
<td>Flexible spending account</td>
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<tr>
<td>HDHP</td>
<td>High-deductible health plan (a specific type of CDHP that is defined by the tax code and is required for HSA eligibility)</td>
</tr>
<tr>
<td>HRA</td>
<td>Health reimbursement arrangement (health reimbursement account)</td>
</tr>
<tr>
<td>HSA</td>
<td>Health savings account</td>
</tr>
<tr>
<td>MRA</td>
<td>Medical reimbursement account (a medical FSA under HealthFlex; also called “health care FSA”)</td>
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<tr>
<td>PPO</td>
<td>Preferred provider organization</td>
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</table>
Consumer Education Tools

As a CDHP participant, you will want to be more actively involved in selecting your health care services and providers. Remember to take advantage of these consumer education tools prior to Annual Election in November—and on an ongoing basis.

You can find links to the following services through the HealthFlex/WebMD website. Go to wespath.org; select “HealthFlex/WebMD” and log in.

**Meet ALEX Benefits Counselor**
Let ALEX walk you through your estimated out-of-pocket costs under each available HealthFlex plan to make an informed decision about:

- which health plan to choose, if you have multiple options; and
- the amount of FSA dollars to withhold for estimated expenses, if you choose to elect a health care FSA (also called a medical reimbursement account or MRA).

**Treatment Cost Advisor/Estimator**
Blue Cross and Blue Shield of Illinois (BCBSIL) or UnitedHealthcare (UHC)
Budget your HRA and FSA funds (if elected). You can:

- estimate out-of-pocket expenses for a specific service, and
- compare different providers in your area based on quality and cost criteria for a specific service.

**Provider Search (BCBSIL and UHC)**
Find in-network providers to obtain the highest benefit level and ensure the lowest out-of-pocket costs.

**OptumRx Prescription Drug Cost Estimator**
Estimate your prescription drug costs and help calculate what you may want to set aside in your health care FSA.

**Health Accounts Information (WageWorks)**
Learn more about different types of health accounts, including expenses that may be eligible for health care or dependent care FSA reimbursement and your HRA.

Review the *Summary of Benefits and Coverage* and other plan documents for specific plan details—available in the online Reference Center (after you log in to HealthFlex/WebMD, select “HealthFlex Plan Benefits”).
Learn More About the CDHP and Your HealthFlex Benefits

Start at the HealthFlex/WebMD website to access online resources about the CDHP and your HealthFlex benefits.

[wespath.org]
Click on “HealthFlex/WebMD”
Log in by entering your username and password.

Call WebMD Customer Service at 1-866-302-5742 if you are unable to obtain your username/password online.

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