

HSA Informational Overview

Owens Community College



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- Components of the medical plan:
 - Deductible vs. copay expenses
 - What does Embedded mean?
 - How does coinsurance work?

- The financial decision and factors involved (the TOTAL cost):
 - Benefits ~ out-of-pocket responsibility related to using the plan
 - Premium ~ payroll deductions

- HSA (Health Savings Account) Education

Medical Plans (UHC)

Coverage (In-Network)	CDHP	PPO High Plan	PPO Low Plan
Deductible	\$3,400 Individual \$6,800 Family (Embedded)	\$1,500 Individual \$3,000 Family (Embedded)	\$750 Individual \$1,500 Family (Embedded)
Coinsurance	100% after deductible	80% / 20%	80% / 20%
Out of pocket Max	\$4,000 Individual \$8,000 Family	\$3,000 Individual \$6,000 Family	\$1,500 Individual \$3,000 Family
Preventative Services	<i>Covered in Full</i>	<i>Covered in Full</i>	<i>Covered in Full</i>
Office Visit Copay	0% after deductible	PCP: \$25 Copay Specialist: \$50 Copay	PCP: \$25 Copay Specialist: \$50 Copay
Urgent Care	0% after deductible	\$60 Copay	\$60 Copay
Emergency Room	0% after deductible	\$250 Copay	\$250 Copay
Inpatient Hospital	0% after deductible	20% after deductible	20% after deductible
Outpatient Hospital	0% after deductible	20% after deductible	20% after deductible
Prescriptions (Retail copays reflected)	After deductible: Tier 1: \$10 Tier 2: \$35 Tier 3: \$60	Tier 1: \$10 Tier 2: \$35 Tier 3: \$60	Tier 1: \$10 Tier 2: \$35 Tier 3: \$60
Mail Order: 2.5 copay for 90-day supply			

Copays:

- Don't apply to deductible
- Do apply to out-of-pocket max

What does it mean to have an “Embedded” Plan?

This is not applicable if you are enrolled on a single plan.

Only applies to those covering a dependent (spouse or child) on your medical plan.

- Even though you are on a plan that includes dependents, the **INDIVIDUAL** deductible and out-of-pocket max applies.
- Provides an additional level of protection for each family member as **each family member’s responsibility is capped at the INDIVIDUAL deductible and INDIVIDUAL out-of-pocket max**. Once an individual in the family has reached the INDIVIDUAL deductible, they are considered to have met their deductible. On the PPO plans, Coinsurance then applies. On the CDHP, medical services will be covered at 100% and pharmacy copays now apply.
- Once the individual member has met the INDIVIDUAL out-of-pocket max then all medical and pharmacy services for that member will be covered in full.
- What happens if no one member of the family meets the individual deductible or individual out-of-pocket max?
 - ❖ Each family member’s expenses count towards the FAMILY deductible and FAMILY out-of-pocket max. Once the FAMILY deductible has been met by a combination of family members then the family deductible has been met. On the PPO plans, Coinsurance then applies to all family members. On the CDHP, medical services will be covered at 100% and pharmacy copays now apply to all family members. Once the FAMILY out-of-pocket max is met by a combination of all family members expenses, then all medical and pharmacy services will be covered at 100% for all family members.

How Coinsurance Works (PPO vs. CDHP)

PPO High Plan:

Deductible: \$1,500 Individual / \$3,000 Family

Coinsurance: 20%

Out-of-Pocket Max: \$3,000 Individual / \$6,000 Family

CDHP:

Deductible: \$3,400 Individual / \$6,800 Family

Coinsurance: 0% (No Coinsurance)

Out-of-Pocket Max: \$4,000 Individual / \$8,000 Family

PPO High Plan:

Claim: Member has surgery & a hospital stay

Billed Charge: \$40,000

UHC Negotiated Discount Rate: \$25,000

Member's Responsibility: \$1,500 (deductible)
+ \$1,500 (coinsurance)
\$3,000

Owens Community College Responsibility: \$22,000

CDHP:

Claim: Member has surgery & a hospital stay Billed

Charge: \$40,000

UHC Negotiated Discount Rate: \$25,000 Member's
Responsibility: \$3,400 (deductible)

Owens Community College Responsibility: \$21,600

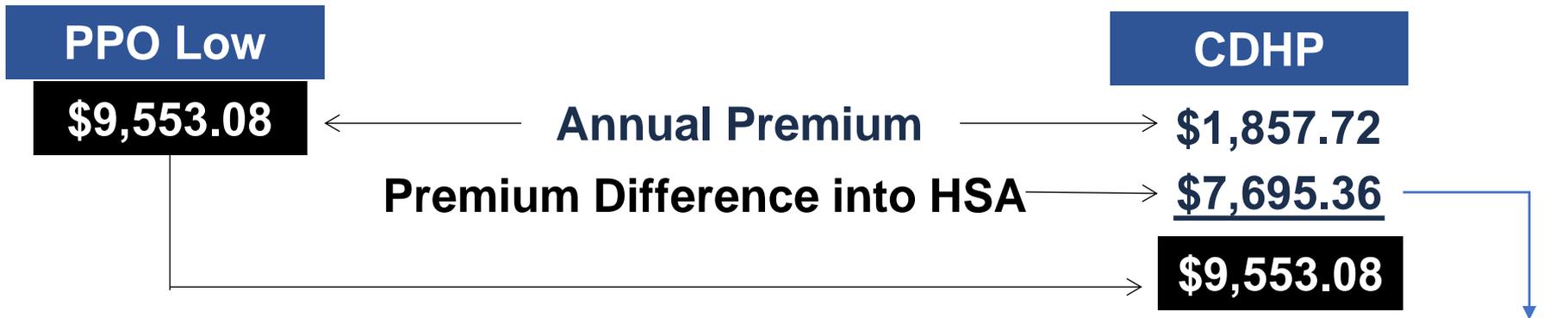
Medical Premiums (Bi-Weekly / Per Pay)

Per Pay Premiums (Bi-Weekly)	CDHP (Consumer Drive Health Plan)	PPO High Plan (Higher Deductible)	PPO Low Plan (Lower Deductible)
Single	\$22.33	\$80.19	\$114.82
Employee + Spouse	\$49.12	\$176.41	\$252.61
Employee + Child(ren)	\$42.42	\$152.35	\$218.16
Family	\$71.75	\$256.59	\$367.43

Premium Overview – Family Plan

FAMILY PLAN	CDHP Deductible: \$3,400/\$6,800 OOP Max: \$4,000/\$8,000	PPO High Plan Deductible: \$1,500/\$3,000 OOP Max: \$3,000/\$6,000	PPO Low Plan Deductible: \$750/\$1,500 OOP Max: \$1,500/\$3,000
Employee Cost Per Pay (Bi-Weekly)	\$71.75	\$256.59	\$367.43
Monthly Premium	\$154.81	\$555.95	\$796.09
Annual Premium	\$1,857.72	\$6,671.40	\$9,553.08
Difference CDHP vs. PPO High & PPO Low		+ \$184.84 / per pay + \$401.14 / per month + \$4,813.68 / per year	+ \$295.68 / per pay + \$641.28 / per month + \$7,695.36 / per year
HSA Employer Funding	\$1,000 or \$2,000 if new to the CDHP this year	NONE	NONE

Annual Premium Considerations – Family Plan Example



HSA Funding Opportunity

Employee Contribution	\$7,695.36	\$6,750.00
Owens Community College Contribution	<u>\$2,000.00</u>	<u>\$2,000.00</u>
HSA Balance	<u>\$9,695.36</u>	<u>\$8,750.00 (IRS Max)</u>

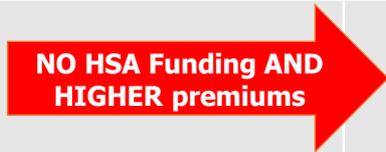
Individual Deductible:
Difference of \$2,650

Out-of-Pocket Max:
Difference of \$2,500

- Example reflects a full year to illustrate the concept of using premium savings to fund a HSA
- Example reflects new 1st year CDHP election (\$2,000 employer funding)
- Premium savings more than covers the difference in deductible and out-of-pocket max
- Can't allocate full difference into HSA due to allowed 2026 IRS HSA funding max of \$8,750

Claim Example: Low Utilizer

		Allowed Charges	CDHP Deductible: \$3,400/\$6,800 OOP Max: \$4,000/\$8,000	PPO Low Deductible: \$750/\$1,500 OOP Max: \$1,500/\$3,000
Office Visit	Dr. Smith (PCP)	\$160	\$160 Applies to Deductible & Out-of-Pocket Maximum	\$25 Copay Applies to Out-of-Pocket Maximum
Prescription	Pharmacy (Tier 3)	\$100	\$100 Applies to Deductible & Out-of-Pocket Maximum	\$60 Copay Applies to Out-of-Pocket Maximum
Total Cost to Member			\$260	\$85
Funding from Employer			Single: \$500 (or \$1,000 for new enrollees) Family: \$1,000 (\$2,000 for new enrollees)	None
CDHP vs. PPO Annual Premium Difference			NO HSA Funding AND HIGHER premiums	Employee: + \$2,404.74 Employee + Spouse: + \$5,290.74 Employee + Child(ren): + \$4,569.24 Family: + \$7,687.68



Claim Example: Higher Utilizer

		Allowed Charges	CDHP Deductible: \$3,400/\$6,800 OOP Max: \$4,000/\$8,000	PPO High Deductible: \$1,500/\$3,000 OOP Max: \$3,000/\$6,000
Visit 1	Dr. Jones (Specialist)	\$200	\$200 Applies to Deductible & OOP Max	\$50 Copay Applies to OOP Max
Visit 2	X-Ray	\$250	\$250 Applies to Deductible & OOP Max	\$250 Applies to Deductible & OOP Max
Visit 3	Dr. Jones (Specialist)	\$200	\$200 Applies to Deductible & OOP Max	\$50 Copay Applies to OOP Max
Visit 4	Surgery	\$10,000	\$2,650 Applies to Deductible & OOP Max	\$1,250 Applies to Deductible & OOP Max PLUS 20% Coinsurance \$1,750 Owe \$1,400 Applies to OOP Max (Total: \$2,650)
Prescription	Pharmacy (Tier 1)	\$45	\$10 Copay Individual Deductible has been met Applies to OOP Max	\$0 Individual OOP Max has been met
Visit 5	Dr. Jones (Specialist)	\$200	\$0 Individual Deductible has been met	\$0 Individual OOP Max has been met
Total Cost to Member			\$3,310	\$3,000
Funding from Employer			Single: \$500 (or \$1,000 for new enrollees) Family: \$1,000 (or \$2,000 for new enrollees)	None
CDHP vs. PPO Annual Premium Difference			NO HSA Funding AND HIGHER premiums	Employee: + \$1,504.36 Employee + Spouse: + \$3,309.54 Employee + Child(ren): + \$2,858.18 Family: + \$4,805.84

CONSUMER DRIVEN HEALTH PLAN (CDHP) "THE MEDICAL PLAN"

- Lower employee premiums than PPO plans
- Upfront deductible to meet
- All medical expenses (including pharmacy) will apply towards deductible

HEALTH SAVINGS ACCOUNT (HSA) "THE BANK ACCOUNT"

- Unique tax-free account
- Employer & employee funded
- Employee owns the account
- Not "use it or lose it"
- Investment opportunities available thru Optum Bank

To be eligible to contribute to a HSA:

- You must be covered on a CDHP (Consumer Driven Health Plan)
- You can't have any first dollar health coverage (PPO, Tricare, VA Benefits, General Purpose FSA or HRA)
- You can't be enrolled in Medicare
- You can't be claimed as a dependent on someone else's tax return (does not apply if married filing jointly)

***These rules ONLY apply to the employee who is the owner of the bank account.
These rules do NOT apply to any dependents (spouse/children).***

Health Savings Account (HSA) Qualified Expenses

- Acupuncture
- Alcoholism / Drug treatment
- Ambulance charges
- Arch supports
- Arthritis gloves
- Bandages / Band-Aids
- Bariatric surgery
- Birthing classes
- Blood pressure monitors
- Blood sugar test kits/strips
- Body scans (MRIs)
- Brace for knees, wrists, back
- Breast pumps and supplies
- Chiropractic fees
- Compression hosiery
- Contact lenses & solutions
- Contraceptives
- Co-pays / Co-insurance
- Costs for physical or mental illness confinement
- CPAP devices
- Crutches / cane
- Deductible expenses
- Dental implants
- Dental treatment
- Dentures
- Diabetic supplies
- Durable medical equipment
- Eyeglasses & eye exam
- First aid kits
- Hearing aids & batteries

Qualified medical, dental, vision expenses as defined by the IRS

Spouse and qualified tax dependents eligible expenses even if they are not covered on your Owens Community College medical plan

Cobra, Long-Term Care, Certain Retiree/Medicare premiums

Non-Qualified Expenses:

Pre-65: Subject to income taxes AND a 20% tax penalty

65+: Subject to income taxes but not the additional 20% penalty

- Insulin supplies
- Laboratory fees
- Laser eye surgery
- Liquid adhesive for small cuts
- Mastectomy related bras
- Medical alert bracelet
- Medical records charges
- Midwife
- Mileage
- Occlusal guards
- Orthodontia/Invisalign
- Orthopedic shoe insert
- Ostomy, colostomy supplies
- Ovulation monitor
- Physical therapy
- Prescriptions
- Pregnancy test kits
- Psychiatric care
- Reading glasses
- Rehydration solution (Pedialyte for children)
- Saline solution
- Seeing eye dog & expenses
- Shipping & handling for eligible medical expenses
- Smoking cessation programs
- Special communication equipment for the deaf
- Speech therapy
- Infertility treatment/IVF

Health Savings Account (HSA)

2026 Custodial Bank: Optum Bank	Single	Employee + Spouse Employee + Child(ren) Employee + Family
IRS Maximum Annual Contribution (TOTAL - Employer & Employee Funding)	\$4,400	\$8,750
Owens Community College Employer Contribution:	\$500 (\$19.23/pay)	\$1,000 (\$38.46/pay)
NEW CDHP enrollees this year:	\$1,000 (\$38.46/pay)	\$2,000 (\$76.92/pay)
Employee Maximum Contribution	\$3,900	\$7,750
NEW CDHP enrollees Maximum Contribution	\$3,400	\$6,750
Catch-Up Employee Contribution (Additional ANNUAL employee contribution allowed starting at age 55)	\$1,000	\$1,000

Thank you!



This presentation describes the benefit plans and policies available to you as an employee of Owens Community College. The details of these plans and policies are contained in the official plan and policy documents, including some insurance contracts. This presentation is meant only to cover the major points of each plan or policy. It does not contain all of the details that are included in your Summary Plan Descriptions. If there is ever a question about one of these plans and policies, or if there is a conflict between the information in this presentation and the formal language of the plan or policy documents, the formal wording in the plan or policy documents will govern. The benefits highlighted and described in this guide do not represent a contractual obligation, either implied or expressed.