



HMO Plans vs. High Deductible Plans

Same coverage – Saving Money

Employee Benefits Team
September 2023

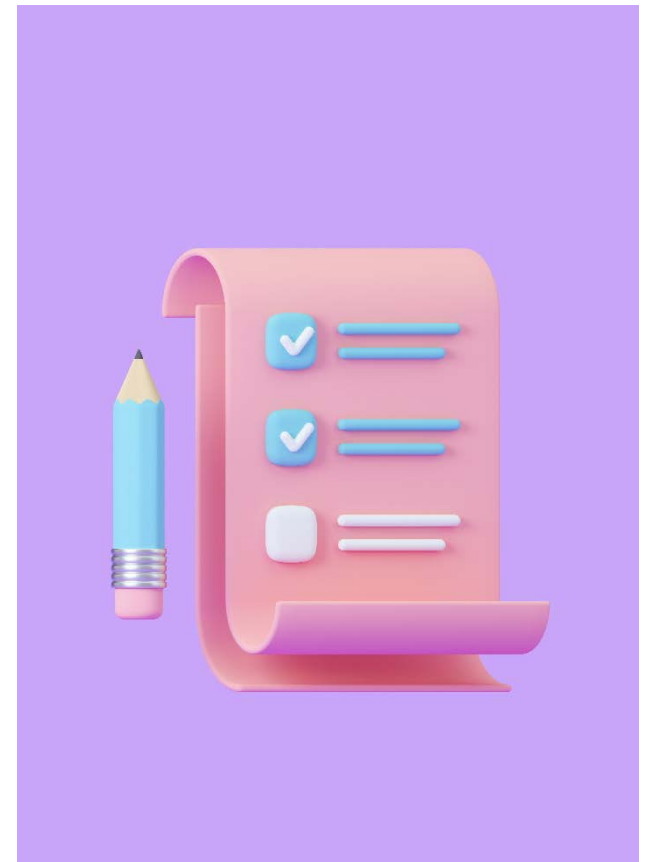


Welcome!

- Welcome, we're glad to see you
 - We'll discuss how you could potentially save **thousands of dollars** by changing your current HMO medical election to a High Deductible plan and/or switching to Tier B.
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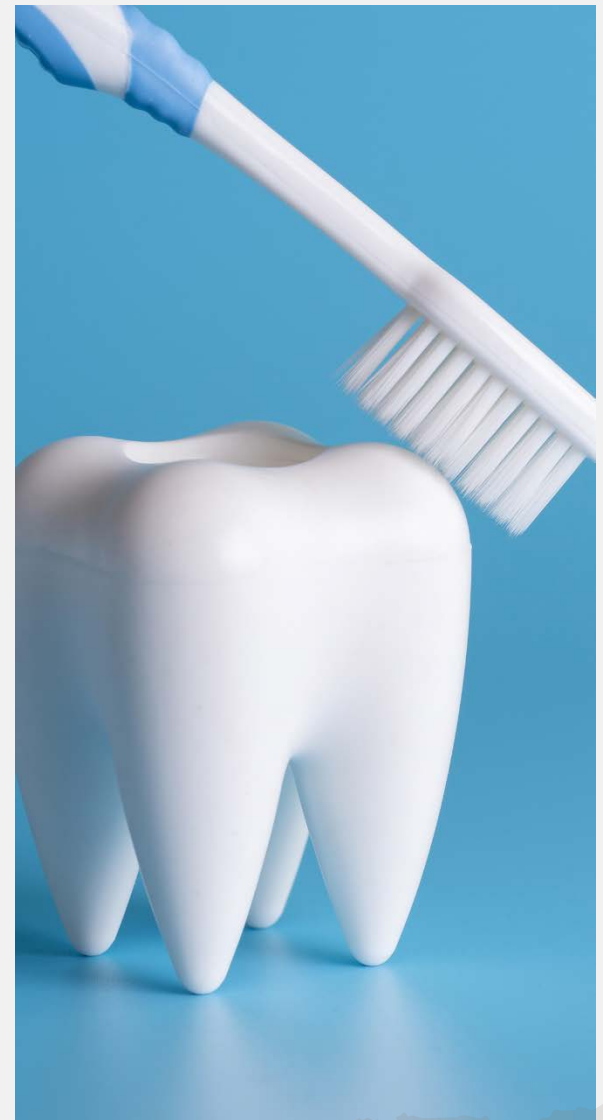
Agenda

- Dental and vision benefits
- Plan funding (tier and subsidy)
- Medical plans and coverage
- Savings from enrolling in a HDHP Plan
- Health Savings Account (HSA) advantages
- HDHP Billing for Services
- Next Steps



Dental Benefits

- 100 % fully-paid by County
- Not tied to medical plan
- No re-enrollment is needed
- Increasing benefits
 - Orthodontia lifetime maximum to \$2500
 - In Network: Major restorative to 90%
 - In Network: Prosthodontics to 90%
- Coverage details can be found at:
<https://personnel.saccounty.gov/Benefits/Pages/Resources.aspx>





Vision Benefits - VSP

- Vision is bundled with the HMO plans
- Option to elect voluntary vision coverage if:
 - Waived medical coverage
 - Enrolled in a High Deductible plan
- Enhanced plan option
 - Frame allowance every 12 months
 - Choose upgrade option
 - Frame/contact lens allowance
 - Anti-reflective lenses
 - Progressive lenses
 - Light-reactive transition lenses



Vision Benefits - VSP

- Employee single coverage cost
 - \$5.16/month for basic
 - \$9.94 for enhanced
- Employee family coverage cost
 - \$13.22/month for basic
 - \$25.47 for enhanced.
- Coverage details can be found at:
<https://personnel.saccounty.gov/Benefits/Pages/Resources.aspx>

Medical Tiers

- The County contributes toward medical coverage (medical subsidy based on tier)
 - **Tier B:** All Units hired after 12/31/2006 or voluntarily moved to Tier B
 - **Tier A1:** all bargaining units except 003, 006, 017, 019, and 030, hired before 1/1/2007
 - **Tier A2:** Bargaining units 003, 006, 017, 019, and 030, hired before 1/1/2007
 - You pay pre-tax payroll deductions for any premium amount over the subsidy
-

Medical Tiers

- 2024 monthly subsidy for County medical coverage:
 - Tier B
 - Employee only \$686.30/month,
 - Family \$1,756.98/month
 - Tier A1
 - Employee only and family \$826.90 (frozen)
 - Tier A2
 - Employee only and family \$1,148.80 (frozen)
 - Tier A1-A2 employees can move to Tier B
 - Cost-savings for family coverage
 - Cannot return to Tier A
 - Lose potential Cashback or PSI incentives in Tier A1 or A2
 - No effect on your medical choice or your pension
-

MEDICAL PLAN OPTIONS

KAISER PERMANENTE



SUTTER HEALTH PLUS

**WESTERN HEALTH
ADVANTAGE**



**YOU CAN CHOOSE
EITHER**

**Health Maintenance
Organization (HMO)**

OR

**High Deductible Health
Plan (HDHP)**










MEDICAL PLAN PREMIUMS - 2024 (Tier A2)

County provides a monthly medical subsidy; any extra costs are paid by EE:

Tier A2 - bargaining units 003, 006, 017, 019, and 030, hired before 1/1/2007, and have not voluntarily selected Tier B





ER Subsidy – single and family \$1,148.80 (frozen)





Employee Only	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
						
Monthly Premium	\$1,150.86	\$822.32	\$944.20	\$700.10	\$852.70	\$655.50
EE Pay Period Cost	\$1.03	\$0	\$0	\$0	\$0	\$0
Annual EE Cost	\$24.72	\$0	\$0	\$0	\$0	\$0

Family	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
						
Monthly Premium	\$2,942.98	\$2,102.84	\$2,417.10	\$1,792.30	\$2,183.00	\$1,678.10
EE Pay Period Cost	\$897.09	\$477.02	\$640.76	\$321.75	\$523.71	\$264.65
Annual EE Cost	\$21,530.16	\$11,448.48	\$15,378.24	\$7,722.00	\$12,569.04	\$6,351.60

MEDICAL PLAN PREMIUMS - 2024 (Tier A1)

County provides a monthly medical subsidy; any extra costs are paid by EE:
 Tier A1 - all bargaining units except 003, 006, 017, 019, and 030, hired before 1/1/2007, and have not voluntarily selected Tier B
 ER Subsidy – single and family \$826.90 (frozen)

Employee Only	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
						
Monthly Premium	\$1,150.86	\$822.32	\$944.20	\$700.10	\$852.70	\$655.50
EE Pay Period Cost	\$161.98	\$0	\$61.23	\$0	\$15.48	\$0
Annual EE Cost	\$3,887.52	\$0	\$1,469.52	\$0	\$371.52	\$0

Family	 KAISER		 SUTTER		 WESTERN	
	HMO	HDHP	HMO	HDHP	HMO	HDHP
						
Monthly Premium	\$2,942.98	\$2,102.84	\$2,417.10	\$1,792.30	\$2,183.00	\$1,678.10
EE Pay Period Cost	\$1058.04	\$637.97	\$801.71	\$482.70	\$684.66	\$425.60
Annual EE Cost	\$25,392.96	\$15,311.28	\$19,241.04	\$11,584.80	\$16,431.84	\$10,214.40

MEDICAL PLAN PREMIUMS - 2024 (Tier B)

County provides a monthly medical subsidy; any extra costs are paid by EE:

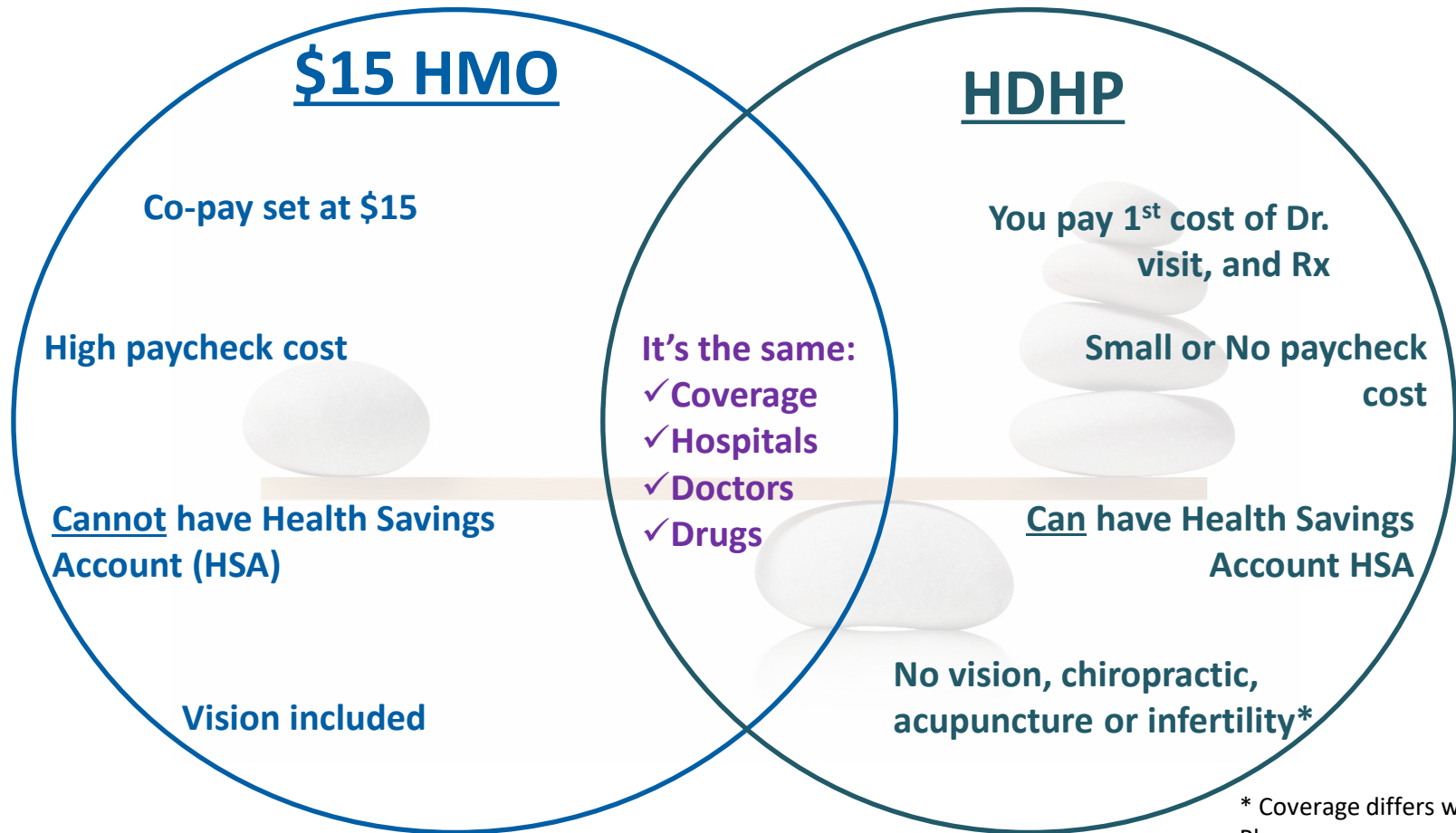
Tier B: all bargaining units hired After 12/31/2006

ER Subsidy Employee Only = \$686.30/month, ER Subsidy Family= \$1,756.98/month
(80% of the lowest HMO plan and is reset every year)

Employee Only		 KAISER		 SUTTER		 WESTERN	
		HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium		\$1,150.86	\$822.32	\$944.20	\$700.10	\$852.70	\$655.50
EE Pay Period Cost		\$232.28	\$68.01	\$128.95	\$6.90	\$85.78	\$0
Annual EE Cost		\$5,574.72	\$1632.24	\$3,094.80	\$165.60	\$2,058.72	\$0

Family		 KAISER		 SUTTER		 WESTERN	
		HMO	HDHP	HMO	HDHP	HMO	HDHP
Monthly Premium		\$2,942.98	\$2,102.84	\$2,417.10	\$1,792.30	\$2,183.00	\$1,678.10
EE Pay Period Cost		\$593.00	\$172.93	\$336.67	\$17.66	\$219.62	\$0
Annual EE Cost		\$14,232.00	\$4,150.32	\$8,080.08	\$423.84	\$5,270.88	\$0

\$15 HMO AND HDHP COVERAGE



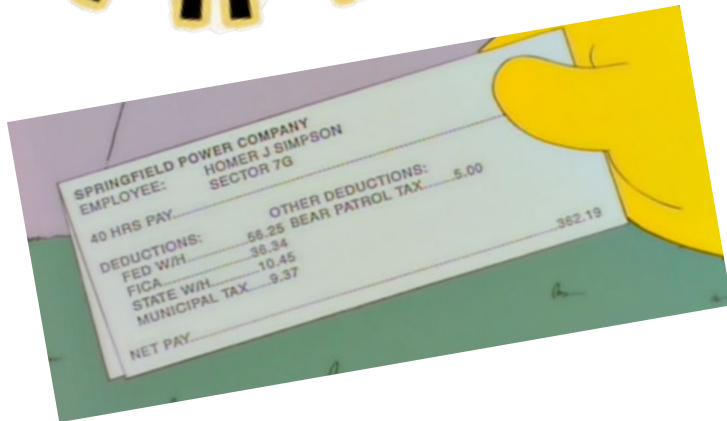
* Coverage differs with Plans

Preventative services are FREE

\$15 HMO VS HDHP

**DIFFERENCE BETWEEN HMO AND HDHP
IS WHERE FIRST \$'s ARE SPENT**

HMO



**OUT OF YOUR
PAYCHECK**

HDHP



**WHEN/IF YOU SEE
THE DR**

HIGH DEDUCTIBLE-ALL PLANS

Single Deductible \$1,600-(2024)

- You pay the first \$1,600 for medical and prescriptions
 - Covered medical services covered at 100% after \$1,600
- Then only copays on prescriptions until you reach \$3,200 annual total
 - Prescriptions covered at 100% after \$3,200



Family Deductible \$3,200-(2024)

- You pay the first \$3,200 (shared between all family)
 - Then all covered services are covered at 100% for the remainder of the year for all family
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MEDICAL PLAN PREMIUMS-2024 (Tier B)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !



Employee Only	KAISER		Best Annual Savings	Least Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$1,600 + \$1,600				
Pay Period Cost	(\$232.28)	(\$68.01)	$\$5,574.84 - \$1,632.36 =$	$\$5,574.84 - \$1,632.36 - \$3,200 =$
Annual Total	(\$5,574.84)	(\$1,632.36)	\$3,942.48	\$742.48



Family	KAISER		Best Annual Savings	Least Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$3,200				
Pay Period Cost	(\$593.00)	(\$172.93)	$\$14,232.00 - \$4,150.32 =$	$\$14,232.00 - \$4,150.32 - \$3,200 =$
Annual Total	(\$14,232.00)	(\$4,150.32)	\$10,081.68	\$6,881.68

MEDICAL PLAN PREMIUMS-2024 (Tier B)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !



Employee Only	 SUTTER		Best Annual Savings	Least Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$1,600 + \$1600				
Pay Period Cost	(\$131.53)	(\$6.90)	$\$3,156.74 - \$165.60 =$	$\$3,156.74 - \$165.60 - \$3,200 =$
Annual Total	(\$3,156.74)	(\$165.60)	\$2,991.11	(\$208.89)




Family	 SUTTER		Best Annual Savings	Least Annual Savings
	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
\$3,200				
Pay Period Cost	(\$336.67)	(\$17.66)	$\$8,080.08 - \$423.84 =$	$\$8,080.08 - \$423.84 - \$3,200 =$
Annual Total	(\$8,080.08)	(\$423.84)	\$7,656.24	\$4,456.24

MEDICAL PLAN PREMIUMS-2024 (Tier B)

When moving from an HMO to an HDHP, your annual savings will vary depending on your need for services in that Calendar year !



Employee Only	 WHA		Best Annual Savings	Least Annual Savings
\$1,600 + \$1,600	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
Pay Period Cost	(\$85.78)	\$0.00	$\$2,058.72 - \$0 =$	$\$2,058.72 - \$3,200 =$
Annual Total	(\$2,058.72)	\$0.00	\$2,058.72	(\$1,141.28)



Family	 WHA		Best Annual Savings	Least Annual Savings
\$3,200	HMO	HDHP	Do Not Incur Costs	Hit Entire Deductible
Pay Period Cost	(\$219.62)	\$0.00	$\$5,270.88 - \$0 =$	$\$5,270.88 - \$3,200 =$
Annual Total	(\$5,270.88)	\$0.00	\$5,270.88	\$2,070.88

\$15 HMO VS HDHP

HMO

Pay the health carrier first for coverage even if you rarely see the doctor



HDHP

Pay yourself first by contributing to an HSA and still have coverage



HEALTH SAVINGS ACCOUNT (HSA) - 2024

You can set aside much more than your total annual deductible exposure !

SINGLE ANNUAL MAX

\$4,150 (<55)

\$5,150 (>55)

FAMILY ANNUAL MAX

\$8,300 (<55)

\$9,300 (>55)

Tax free
in, and
out

Annual
roll over

Instant
vesting

Earns
interest

Portable
& can use
when
retired

Cashable

Use on
other
family
members

Survivor
ability

Premiums
at Age 65

- ✓ Use it for medical, dental, vision, acupuncture, chiro & Rx
- ✓ Change the contribution amount anytime all year
- ✓ Coverage must be an HDHP and nothing else (no other group coverage that is not an HSA HD plan, no other FSA)
- ✓ No "front load" of HSA, consider cushion for next year

HSA Partners

Kaiser HDHP = Optum Bank
Sutter HDHP

WHA HDHP = Health Equity

BILLING AND CHARGES

Doctors

HD visits might mean the bill comes after the encounter



Rx

Pay when you pick up prescription

- Timing of charges may not be real time.
- Prescriptions very fast, doctor's office may vary. Keep track of your receipts. Use websites or apps to confirm encounters and payments.
- May need to use personal funds and replenish as HSAs funds are added to the account (first few months of the year)

HSA must be open and active to reimburse future expenses, no reimbursements for past claims allowed.

HSA Debit card can track payments...always keep track of your charges, and call Customer Service when over the deductible!



Considerations & Next Steps

- Review your medical utilization over the past several months
 - How often have you and your family members utilized the doctor, pharmacy, dental, vision, etc.
 - Are you on continuing treatment or maintenance Rx ?
 - Based on that information, would you reach the deductible associated with your benefit selection and age or have early costs at the beginning of the year?
 - Determine whether changing to the High Deductible Plan would be beneficial
 - Both financial and utilizing long-term contributions to an HSA
 - Complete required online transactions during Open Enrollment
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Open Enrollment

October 2, 2023,
through October 27,
2023

Supporting documents
due by November 3,
2023

BenefitBridge
(online enrollment)

In-person fairs, vendor
presentations, and
virtual Airbo site

Watch communications
through mail, email,
SacCounty News, and
the EBO website

After Open Enrollment



In late December or early January, you'll receive information from the medical provider as well as the HSA vendor



Effective January 1, 2024, you will be enrolled in the HD Plan and HSA and begin saving!



In the meantime, please check out all the resources available on our website

Transitioning to Retirement – Under 65

- Since the HSA funds will be available in retirement, follow are some guidelines for utilization:
 - RHSP funds must be depleted first, on premiums and deductibles
 - Reimbursement only, no cash out available, save HSA funds as long as possible
 - Once RHSP funds are depleted, can contribute to HSA on post-tax basis until Medicare entitlement (age 65)

Transitioning to Retirement – 65+

- Since the HSA funds will be available in retirement, follow are some guidelines for utilization:
 - RHSP funds must be depleted first, on premiums and deductibles
 - Reimbursement only, no cash out available, save HSA funds as long as possible
 - Once RHSP funds are depleted, no more HSA contribution allowed because of Medicare, can only spend down



Contact Resources

- Employee Benefits Office: 916-874-2020 or mybenefits@saccounty.gov;
<https://personnel.saccounty.net/Benefits/Pages/default.aspx>
 - Kaiser – 800-464-4000
 - Sutter – 855-315-5800
 - WHA – 888-563-2250
 - Optum (HSA provider for Kaiser and Sutter)
844-326-7967
 - Health Equity (HSA provider for WHA)
877-300-4987
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Questions

What questions can we answer?

Thank you for your time!

