Choosing Between HealthFlex Plans
Key Considerations

• PPO vs. CDHP vs. HDHP
• Gold vs. Silver vs. Bronze Plans

HealthFlex Exchange offers you more choice—with six HealthFlex plan designs for medical/pharmacy/behavioral health benefits. With more choice, there also are many factors to consider as you decide which plan fits you best: your family size, medical needs, budget and financial preferences. This document, along with the Coverage Advisor and MyChoice online tools, can help you compare and contrast HealthFlex options.
CHOOSING BETWEEN HEALTHFLEX PLANS—KEY CONSIDERATIONS

Plan Similarities

For each HealthFlex plan:

✓ In-network wellness and preventive services are covered at 100%, with no deductible required.

✓ Out-of-pocket maximum includes the deductible, any co-payments, and co-insurance from medical, behavioral health and pharmacy.

✓ Inpatient services and outpatient services (other than office visits, urgent care and ER) require the deductible to be paid first, then the plan pays the associated co-insurance.

✓ Same provider networks and drug formularies in all plans.

See Glossary on back page.

Plan Differences

There are important differences in how each type of plan covers some services. These differences may influence your HealthFlex plan selection.

<table>
<thead>
<tr>
<th>Plan Feature</th>
<th>PPO (B1000)</th>
<th>CDHP (C2000, C3000)</th>
<th>HDHP (H1500, H2000, H3000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>Separate deductible for individual vs. family</td>
<td>Separate deductible for individual vs. family</td>
<td>Full family deductible applies if any dependents are covered</td>
</tr>
<tr>
<td>Office visits, urgent care, emergency room</td>
<td>Co-payments*; no deductible</td>
<td>Deductible must be met; then co-insurance</td>
<td>Deductible must be met; then co-insurance</td>
</tr>
<tr>
<td>Behavioral health visits</td>
<td>Co-payments*; no deductible</td>
<td>Deductible must be met; then co-insurance</td>
<td>Deductible must be met; then co-insurance</td>
</tr>
<tr>
<td>Prescription drugs (Rx)</td>
<td>Co-payment (generic) or co-insurance; no deductible</td>
<td>Co-payment (generic) or co-insurance; no deductible</td>
<td>Deductible must be met; then co-payment (generic)** or co-insurance</td>
</tr>
<tr>
<td>Health accounts</td>
<td>Eligible for full-use health care FSA</td>
<td>Includes an HRA. Eligible for full-use health care FSA</td>
<td>Eligible for HSA and limited-use*** health care FSA</td>
</tr>
</tbody>
</table>

* Co-payments are for in-network providers only
** For the H3000, there are no pharmacy co-payments or co-insurance maximums other than the total out-of-pocket maximum
*** Until IRS-defined deductible is met. The participant must contact WageWorks to convert to a full-use health care FSA

Monthly Premiums/Claims Costs

In general, the relationship between premium and out-of-pocket claims costs across the plan types are as follows:

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>PPO</th>
<th>CDHP</th>
<th>HDHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Costs</td>
<td>Higher</td>
<td>Lower</td>
<td>Lower</td>
</tr>
<tr>
<td>Your Share of Claims Costs*</td>
<td>Lower</td>
<td>Higher</td>
<td>Higher</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Gold</th>
<th>Silver</th>
<th>Bronze</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Costs</td>
<td>Higher</td>
<td>Lower</td>
<td>Lowest</td>
</tr>
<tr>
<td>Your Share of Claims Costs*</td>
<td>Lower</td>
<td>Higher</td>
<td>Highest</td>
</tr>
</tbody>
</table>

* These are general guidelines and may vary for individuals based on their pattern of utilization.
CHOOSING BETWEEN HEALTHFLEX PLANS—KEY CONSIDERATIONS

Key Factors to Help You Select the “Best Match” Plan

Consider these factors as you compare HealthFlex options. These considerations can help you select the HealthFlex plan that best fits your unique circumstances:

1. Family size/covered individuals
2. Health status/anticipated utilization of all individuals covered
3. Financial risk tolerance
4. Financial preparedness (household budget and financial safety net)

Many people do not like to change plan types every year, so it’s a good idea to take a long-term view and select the HealthFlex plan that will fit your needs over several years. The examples that follow are for illustration only. Every household’s “best choice” scenario depends on numerous unique factors in addition to those outlined above.

Note: Individuals approaching Medicare eligibility within the plan year may have additional considerations. Please consult your tax adviser if you will soon be Medicare-eligible.

Factor 1—Family size/covered individuals

Participants who cover eligible family members in HealthFlex may want to consider whether they expect the same level of health care utilization for all family members or varied utilization for different family members.

• Varied utilization (i.e., if one family member will have most expenses toward the deductible)

CDHP or PPO plan may be more favorable because each plan type has a separate individual deductible that limits how much any one family member who utilizes health care services has to pay before the plan co-insurance begins.

On the other hand, HDHPs always have a “family deductible” that must be met by one or more members of the family before the plan pays any co-insurance—there is not a lower individual deductible if only one member has claims. This may mean more money out-of-pocket with the HDHP if only one family member will have expenses toward the deductible.

• Same or similar utilization across multiple family members

If multiple family members will have expenses toward the deductible, an HDHP with the combined family deductible may be just as favorable as a CDHP or PPO option.

Example

One family member with high medical/Rx, others with low medical/Rx. Coverage Advisor shows higher net out-of-pocket costs for the gold and silver HDHP plans (H1500 and H2000) than for the gold and silver CDHP (C2000 and C3000) plans. (For illustration only; actual costs may vary.)

<table>
<thead>
<tr>
<th>Coverage Advisor</th>
<th>Estimated Net Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant</td>
<td>$9,154</td>
</tr>
<tr>
<td>Spouse</td>
<td>$7,896</td>
</tr>
<tr>
<td>Child</td>
<td>$7,689</td>
</tr>
<tr>
<td>Family</td>
<td></td>
</tr>
<tr>
<td>HDHP H1500P3</td>
<td>$8,282</td>
</tr>
<tr>
<td>HDHP H2000P4</td>
<td>$9,436</td>
</tr>
<tr>
<td>HDHP H3000P5</td>
<td>$5,878</td>
</tr>
</tbody>
</table>

Example: On one family member with high medical/Rx, others with low medical/Rx. Coverage Advisor shows higher net out-of-pocket costs for the gold and silver HDHP plans (H1500 and H2000) than for the gold and silver CDHP (C2000 and C3000) plans. (For illustration only; actual costs may vary.)
Key Factors to Help You Select the “Best Match” Plan (continued)

**Factor 2—Health status and expected utilization for all individuals covered**

Consider quantity of services, type of expenses, and whether these expenses will repeat year after year.

- **Higher health care utilizers (i.e., people with known medical needs)** may be comfortable with higher monthly premiums but a lower deductible so they can reach the co-insurance amount sooner and/or have a lower out-of-pocket-maximum cost (OOP max).

  - Gold PPO may be favorable.

- **Lower health care utilizers (i.e., people who are healthy overall and have few doctor visits or medications)** may be able to save money by paying lower monthly premiums because they do not expect to incur high out-of-pocket costs in deductibles and co-insurance. These individuals might use their saved money to fund an FSA or HSA or to spend on something else.

  - Silver or bronze CDHP or HDHP may be favorable.

- **Participants who use more pharmacy (Rx) benefits, even if medical/behavioral health expenses are low, may prefer a plan that has no deductible for Rx costs.**

  - PPO or CDHP may be a better fit because the HDHPs require the deductible to be met before the plan contributes to Rx costs.

- **Participants who recently had a higher-cost year than typical should consider whether that utilization/expense will recur or if it was a one-time event.**

  - For example, if you had high expenses due to pregnancy or injury this year, but don’t expect the same occurrence next year, you may want to consider the “low health care utilizer” scenario above or look at prior years for a more accurate forecast of future health care utilization.

**HealthFlex Plans**

- **Gold PPO**
- **Gold CDHP**
- **Silver CDHP**
- **Gold HDHP**
- **Silver HDHP**
- **Bronze HDHP**
Key Factors to Help You Select the “Best Match” Plan (continued)

Factor 2—Health status and expected utilization for all individuals covered (continued)

Below are a variety of utilization scenarios (hypothetical examples) as they appear in Coverage Advisor, based on different utilization levels for medical care and pharmacy. Coverage Advisor uses average costs of services in its estimations, so this is just an estimate for illustrative purposes and not a guarantee of actual out-of-pocket costs.

<table>
<thead>
<tr>
<th>Utilization Pattern</th>
<th>Low Medical/Rx</th>
<th>Moderate Medical/Rx</th>
<th>High Medical/Rx</th>
<th>Low Medical/High Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Example: 1-2 office visits and a few medications</td>
<td>Example: 1-2 outpatient or ER services, plus 3-4 office visits and general medications</td>
<td>Example: 1 inpatient hospitalization, multiple outpatient or ER services, numerous (10-20+) medications</td>
<td>Example: 1-2 office visits but numerous (10-20+) medications</td>
</tr>
<tr>
<td>Lowest cost “metal level”</td>
<td>Silver, Bronze</td>
<td>Gold</td>
<td>Gold, Bronze</td>
<td>Gold</td>
</tr>
<tr>
<td>Lowest cost “plan type”</td>
<td>CDHP, HDHP</td>
<td>CDHP, PPO</td>
<td>CDHP, PPO, Bronze HDHP</td>
<td>Gold CDHP, PPO, Bronze HDHP</td>
</tr>
</tbody>
</table>

Coverage Advisor

Estimated Net Cost
B1000P1
Your Premium per Pay Period $47.00
$3,010
CDHP C2000P2
Your Premium per Pay Period $26.00
$2,556
CDHP C3000P2
Your Premium per Pay Period $0.00
$4,532
HDHP H1500P3
Your Premium per Pay Period $23.50
$3,199
HDHP H2000P4
Your Premium per Pay Period $0.50
$3,319
HDHP H3000P5
Your Premium per Pay Period $0.00
$3,880
Cost without insurance
$17,348

It is strongly recommended that you use Coverage Advisor (available in September) and MyChoice (available during Annual Election) to compare estimated costs with your own scenarios for a more customized approach.
Key Factors to Help You Select the “Best Match” Plan (continued)

**Factor 3—Financial risk tolerance**

Consider whether you prefer paying a higher monthly premium for potentially lower out-of-pocket costs, versus a lower monthly premium for potentially higher out-of-pocket costs.

- **Participants with low tolerance for financial risk**
  
  May prefer a PPO or gold CDHP even if expected utilization is low because they like the “security” of predictable co-payments for office visits/medications and a lower out-of-pocket maximum—even if their health care utilization is expected to be low and their total net cost may be higher.

- **Participants who are willing to take more financial risk**
  
  May prefer a lower-cost plan (i.e., a plan with lower monthly premiums), while recognizing that they might need to dig into savings or an emergency fund if they have a year with high health care utilization.

**Remember:** A health savings account (HSA—for HDHPs) and health reimbursement account (HRA—for CDHPs) can be used to pay some out-of-pocket costs. You can choose to add your own funding into an HSA, if you’d like to boost your medical savings/emergency fund. You also can choose to contribute your own funding into a health care FSA (full-use for PPO and CDHPs, or limited-use for HDHPs until IRS-defined deductible is met). You **cannot** add your own funding into an HRA.

**Factor 4—Financial preparedness**

- **Participants with low monthly income but access to savings**
  
  May prefer to save money on their recurring expenses by choosing a plan with lower monthly premiums (e.g., silver or bronze CDHP or HDHP). In this case, these participants are prepared to pay more out-of-pocket from savings in the event of a high-cost year.

  **Remember:** It can be beneficial to divert some of the money saved on premiums into an HSA (or to a health care FSA for participants not in an HDHP) to help create a financial safety net specifically for health expenses.

- **Participants with adequate or extra monthly income but low savings**
  
  May feel more comfortable choosing a plan with higher monthly premiums (e.g., gold PPO or CDHP). In this case, these participants prefer more robust coverage even if their net cost is higher, because they do not have the financial safety net to pay for higher out-of-pocket expenses in the event of a high-cost year.

**The Coverage Advisor tool does not consider financial risk tolerance or preparedness. MyChoice does consider these factors.**
Learn More

**Decision-Support Tools**

It is helpful to use the Coverage Advisor and MyChoice decision-support tools to compare HealthFlex plan options and potential costs based on your own household size and expected health care needs and other considerations. These interactive tools are accessible from the HealthFlex/WebMD website ([wespath.org](http://wespath.org); select “HealthFlex/WebMD” at bottom of webpage and log in). Coverage Advisor is available for the 2017 plan year beginning in September. MyChoice is available on the Annual Election site in November (select “Annual Election” or “HealthFlex Exchange” on the right side of the webpage).
### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-insurance</td>
<td>Percentage of health care expense paid by participant and/or HealthFlex plan</td>
</tr>
<tr>
<td>Co-payment</td>
<td>Flat dollar amount participant pays toward health care expense</td>
</tr>
<tr>
<td>DC</td>
<td>Defined contribution—a fixed amount from the plan sponsor credited to the total HealthFlex premium, reducing the amount a participant pays</td>
</tr>
<tr>
<td>Deductible</td>
<td>Amount the participant pays in full before the plan begins paying co-insurance (Eligible wellness and preventive services are covered 100% and not subject to the deductible)</td>
</tr>
<tr>
<td>FSA</td>
<td>Flexible spending account</td>
</tr>
<tr>
<td>HRA</td>
<td>Health reimbursement account (also called health reimbursement arrangement)</td>
</tr>
<tr>
<td>HSA</td>
<td>Health savings account</td>
</tr>
<tr>
<td>Limited-use</td>
<td>Use limited to dental and/or vision expenses (until one meets IRS-defined deductible and notifies WageWorks)</td>
</tr>
<tr>
<td>(HRA or MRA)</td>
<td>Use limited to dental and/or vision expenses (until one meets IRS-defined deductible and notifies WageWorks)</td>
</tr>
<tr>
<td>MRA</td>
<td>Medical reimbursement account (also called health care FSA)</td>
</tr>
</tbody>
</table>

### Plan Types:

- **CDHP**: Consumer-driven health plan (includes HRA)
- **HDHP**: High-deductible health plan (IRS-qualified—eligible for HSA contributions)
- **PPO**: Preferred provider organization health plan

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