



Wespath
BENEFITS | INVESTMENTS

Choosing and Using Health Benefits

 **Clergy Benefits Academy** | November 2022



Agenda

Choosing Your Plan—
Be a Wise Consumer

Using Your Plan—
Be a Wiser Consumer

Using Your Extra Benefits

Benefits Lingo—Health Plans

Benefits Lingo—Health Plans

TERM	DEFINITION
Premium	The cost to be covered by a plan
Co-insurance	Percentage of a health care expense paid by individual and/or health plan
Co-payment	Flat dollar amount individual pays toward a health care expense
Deductible	Amount individual must pay in (may not include co-payments)
Out-of-Pocket Max (OOP)	Maximum amount the individual can pay out of pocket
HMO	Health Maintenance Organization; may require a primary care physician
PPO	Preferred Provider Organization; typically doesn't require a primary care physician
CDHP or HDHP	Consumer-Driven Health Plan; typically requires you to pay for services that require you to pay

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Benefits Lingo—Health Plans (cont.)

TERM	DEFINITION
Covered Services	Services that your health plan will approve and allow plan payment
Allowed Amount	The discounted amount that an in-network provider is "allowed" to charge for a service. The provider cannot bill you for the additional amount (balance billing).
Reasonable and Customary (R&C)	A reduced amount for an out-of-network service that your plan says is "reasonable" to pay. The provider can bill you for the additional amount (balance billing).
Balance Billing	The difference between the billed amount and R&C that an out-of-network provider can bill you for. You may be responsible for paying in full.
Out-of-Network	Services that are not covered by your health plan. Details claims for services, how much was allowed, how much was paid, and how much you are responsible for paying.
Annual Election Period	Each year to elect or change your benefits for the following year.
Open Enrollment	Open enrollment is a period during which you can change your health plan status that allows you to make mid-year changes to your health plan.

Benefits Lingo—Health Accounts

TERM	DEFINITION
Health Care FSA	Tax-advantaged Flexible Spending Account for reimbursement of health expenses
Dependent Care FSA	Tax-advantaged Flexible Spending Account for child care or dependent adult care expenses
HRA	Health reimbursement account: tax advantaged but only allows employer contributions
HSA	Health savings account: triple tax advantaged, allows employer & personal contributions
Limited-Use FSA or HRA	An FSA or HRA limited to dental/vision expenses only (paired with an HSA)
IRS Minimum Deductible for HSAs	The lowest deductible allowed by the IRS to qualify for HSA Contributions
Health Accounts Debit Card	A card that allows you to pay for services directly out of your health accounts

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Be a Wise Health Care Consumer When...



Choosing your health benefits



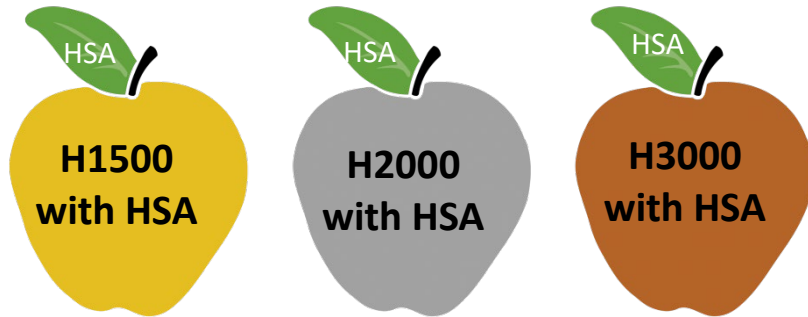
Using your health benefits



Choosing Your Health Benefits

Do You Have a Choice of Plans?

More expensive vs less expensive



Different plan types



Don't Forget

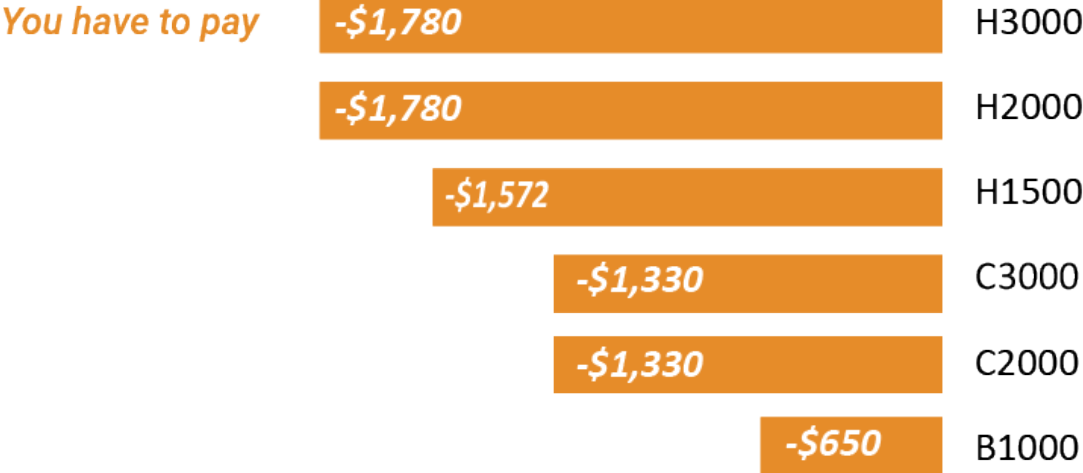
Weigh the full cost and value of plans:

- Your share of monthly **premium**
- Any health account **funding included** plus additional tax savings available
- Your out-of-pocket **cost share**— deductible, coinsurance, copayments, out of pocket maximum
- **Wellness programs and preventive services** are often included at 100%



A Wespath HealthFlex Plan Example

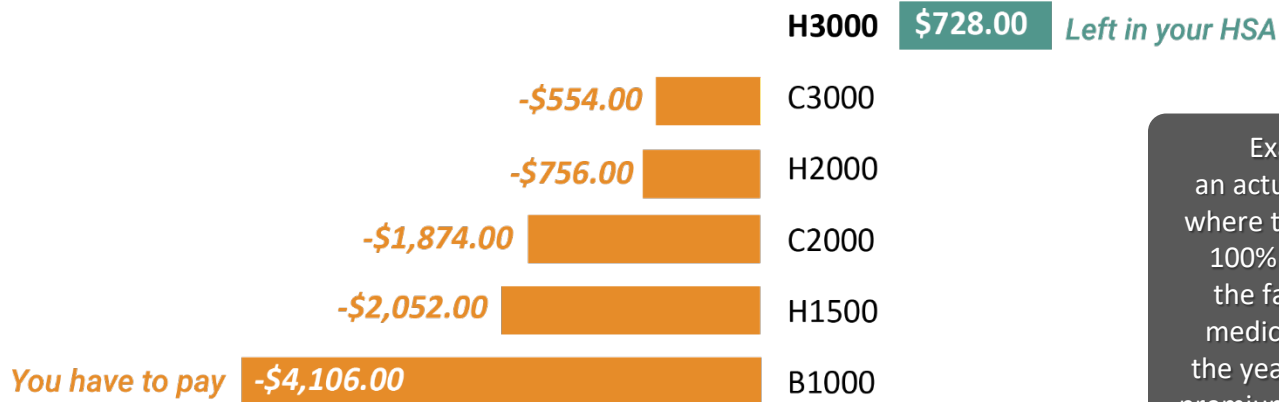
Calculation of Out-of-Pocket Costs Only



Example of family coverage from an actual HealthFlex Plan Sponsor in 2021 where the premium credit is approximately 100% of the cost of the C3000 plan and the family has 10 PCP visits, 10 generic medications, and 2 urgent care visits for the year. Actual results may vary based on premium credit and region, but directionally apply to most participants who are similarly situated.

A Wespath HealthFlex Plan Example

Out-of-Pocket Costs + Premium + Health Account Funding



Example of family coverage from an actual HealthFlex Plan Sponsor in 2021 where the premium credit is approximately 100% of the cost of the C3000 plan and the family has 10 PCP visits, 10 generic medications, and 2 urgent care visits for the year. Actual results may vary based on premium credit and region, but directionally apply to most participants who are similarly situated.

Does Your Plan Help You Before Meeting Deductible?



Discount off billed price for services and medications



Well-person check ups at 100%



Plan may pay for some medications before deductible is met



Why Contribute Your Own Money to HSA/FSA?

- **Current year savings**—
don't pay taxes on your eligible medical expenses
- **Access accumulated funds when you need them**—
no need to use a credit card or dip into savings
- **Save for future expenses** (health, retirement)
- **HSA—triple-tax advantage**

Almost everyone can benefit—95% of HealthFlex households have \$300+ in health expenses each year



Use Decision Support Tools When Available

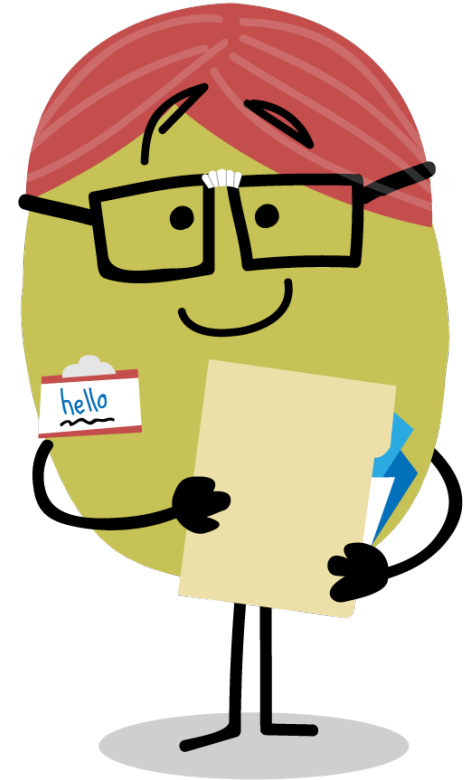
Consumerism starts during enrollment

Plan Comparison Documents—focus on benefits you are most likely to use

Online Comparison Tools

Reference past Explanations of Benefits (EOB) to get a better idea of your expected expenses

Wespath offers ALEX® Benefits Counselor to HealthFlex participants





Using Your Health Benefits



Get Regular Check-Ups and Screenings



Annual wellness/preventive exam



Age-appropriate screenings



Periodic emotional health check-ins are important, too

- 8 free EAP sessions for Wespath health plan participants



Knowing How Your Plan Works

- Familiarize yourself with plan benefits before you use them
- Know how to read your Explanation of Benefits (EOB)
- Tracking expenses to plan ahead to time services

Reading an Explanation of Benefits (EOB)



BlueCross BlueShield of Texas

CLAIM DETAIL (1 OF X)

PATIENT: John Smith **D**

PROVIDER: Ralph Johnston M.D. **E**

CLAIM # XXXXXXXXXXXXX

DATE PROCESSED: 06/20/2020

We reviewed the claim for this patient based on the additional information received regarding other group health care coverage involvement. Blue Cross and Blue Shield of Texas (BCBSTX) has negotiated discounts with this provider. The following shows how this claim was adjusted.

Sample

F SUBSCRIBER INFORMATION

GROUP NAME

Member ID#: XXXXXXXXX777V Group #: 000012345

Customer Advocates are here to help! XXX-XXX-XXXX

O²

Amount Billed	\$7,850.00
Discounts and Reductions	-\$3,930.00
Health Plan Responsibility	-\$2,219.00
You may owe your health care provider for these services	\$1,701.00

Service Description	Service Dates	YOUR BENEFITS APPLIED				YOUR RESPONSIBILITY				
		Amount Billed G	Discounts and Reductions H	Amount Covered (Allowed) I	Health Plan Responsibility J	Deductible Amount K	Copay Amount L	Coinsurance M	Amount Not Covered N	Your Total Costs O
Surgical Charges	04/04/2020	4,000.00	(1) 1,800.00	2,200.00	960.00	1,000.00		240.00		1,240.00
Recovery Room	04/04/2020	900.00	(1) 410.00	490.00	392.00			98.00		98.00
Med/Surg Supplies	04/04/2020	300.00	(1) 140.00	160.00	128.00			32.00		32.00
Med/Surg Supplies	04/04/2020	100.00							(2) 100.00	100.00
Laboratory Services	04/04/2020	1,200.00	(1) 820.00	380.00	304.00			76.00		76.00
Laboratory Services	04/04/2020	400.00	(1) 270.00	130.00	72.00		50.00	8.00		58.00
MRI Outpatient	04/04/2020	950.00	(1) 490.00	460.00	363.00		15.00	82.00		97.00
CLAIM TOTALS		\$7,850.00	\$3,930.00	\$3,820.00	\$2,219.00	\$1,000.00	\$65.00	\$536.00	\$100.00	\$1,701.00

Familiarize Yourself with Plan Design

	H2000 with HSA	B1000
Deductible (you pay all)	\$2,000 per person \$4,000 per family	\$1,000 per person \$2,000 per family
Co-insurance (you pay part) (Plan pays You pay)	70% 30%	80% 20%
Out-of-Pocket Max (OOP) After this, plan pays all	\$6,500 per person \$13,000 per family	\$5,000 per person \$10,000 per family
Wellness/preventive care	Plan pays 100%	Plan pays 100%
Doctor's Office Visits	You pay 30% after meeting deductible	Fixed dollar copayment
Pharmacy Benefits	Generics \$15/month after deductible Preferred brands: 25% after deductible	Generics \$15/month Preferred brands: 20%
X-rays and lab tests, inpatient or outpatient hospital services	You pay 30% after meeting deductible	You pay 20% after meeting deductible
Urgent Care Emergency Room	You pay 30% after meeting deductible	You pay 20% after meeting deductible



Wise Consumerism Saves Money

- **Partner** with your provider—you are the most important member of your medical team
- Use **generic** medications when possible
- **Shop around** for non-emergency services (X-rays or lab services)
- **Use the lowest cost, appropriate site of care** (e.g. nurse line, walk-in clinic, telemedicine)
- Ask your provider for pay-in-full **discounts, financial assistance** or **payment plans**

Premiums vs. Services

**Premiums are paid each month,
whether you utilize services or not**

- Traditional PPO plans with copays are likely to be more expensive than consumer driven or high-deductible plans
- Fixed copays can save 30%-50% off the cost of a visit
- Look at how much extra you are paying in premiums to save on office visits, urgent care visits, ER visits, etc.
- Make sure it's worth it!



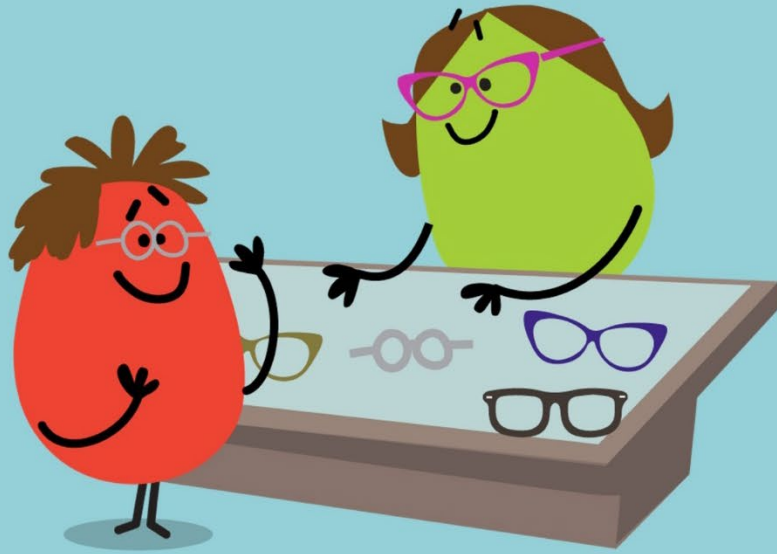
But How Much Do Services Cost?

- **Office Visit:**
 - \$78-\$100 (average)
- **Urgent Care:**
 - \$150-\$200 (average)
- **Generic Prescription Drugs:**
 - \$5-\$20 (average)
- **Surgery and 3-day hospital stay:**
 - \$30,000 (average)



Making the Most of Your Plan—Shop Around





Don't Forget About the Extras

Dental and Vision Benefits

- Regular dental cleanings and check-ups help manage and prevent chronic conditions
- Regular eye exams can detect certain conditions early
- Leverage dental and vision benefits to save money—**if you have it, use it!**
- Use health accounts to save money





Well-Being Programs

- Can be used to fit your needs and goals
- Promote healthy lifestyle or target specific risk areas
- Examples:
 - Healthy activity tracking with Virgin Pulse
 - Biometric screenings at Annual Conference events
 - Diabetes prevention or management
 - Health coaching
 - Employee Assistance Program



Recap

Choose benefits wisely

Use benefits wisely

Use the extras to be your healthiest

Engage with your health benefits
and save money!



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Out-of-Pocket Max (OOP)	Maximum amount the individual must pay for covered expenses under a plan
HMO	Health Maintenance Organization—network-driven plan with limited out of network benefits; may require a primary care gatekeeper to access specialist care
PPO	Preferred Provider Organization—network-driven plan with lower out of network benefits; typically doesn't require a referral to see a specialist
CDHP or HDHP	Consumer-Driven Health Plan or High-Deductible Health Plan—plan with more services that require you to meet the deductible before the plan pays a portion

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Balance Bill	The amount between the billed amount and R&C that an out-of-network provider can bill the patient to be paid in full
Explanation of Benefits	Summary that details claims for services, how much was allowed, how much was paid
Annual/Open Enrollment	The time period each year to elect or change your benefits for the following year
Qualifying Life Event	A significant change in status that allows you to make mid-year changes to your health plan elections

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