QUALIFIED HIGH DEDUCTIBLE PLAN FAQs

Q. What is a Qualified High Deductible Plan?

A. A qualified high deductible plan has a higher deductible than a traditional insurance plan. The monthly premium is usually lower, and you pay more healthcare costs yourself before the insurance company starts to pay its share (your deductible). A qualified high deductible plan (QHDP) can be combined with a health savings account (HSA), allowing you to pay for certain medical expenses with money free from federal taxes.

Q. What is a Health Savings Account?

A. A Health Savings Account (HSA) is a pre-taxed account that can be used, in conjunction with your qualified high deductible health plan, to pay for eligible out-of-pocket medical expenses. You can earn interest on the money in your account and invest it so that it grows over time, tax-free. The money in your HSA is yours if you leave your company. If you have money left over at the end of the plan year, that money roles over to the next plan year.

Q. Why is WVURC offering a Qualified High Deductible Plan?

A. WVURC offers several excellent health insurance options; however, none of the current options provides the low cost and tax advantages of a QHDP combined with an HSA.

Q. What are the savings to me?

A. WVURC is happy to be able to offer a QHDP through Highmark Blue Cross Blue Shield at no cost to employees for single coverage. To calculate your savings, consider the annual cost of your current health insurance premium and deductible.

For example, if you currently carry the WVURC High Option plan for yourself only, then your premium is $212.23 per month ($2,546.76 per year). If you enroll in the Qualified High Deductible Plan, your premium is paid entirely by WVURC, but you would incur a $1,500 deductible, after which eligible services would be covered at 100%.

While your deducible would be higher under the Qualified High Deductible Plan, your actual costs would be lower, based on the reduction in premium.

Qualified High Deductible Plan Premiums

Employee Only/month	**No Cost**
Employee Plus One/month Per Pay Deduction	**$110.58** $55.29
Family/month Per Pay Deduction	**$158.85** $79.43

Q. What is the deductible for the Plan?

A. The QHDP has an individual deductible of $1,500 and a family deductible of $3,000. For those enrolled in Employee + One or Family coverage, the family deductible may be met by one person in the family or a combination of claims from the entire family. The plan does not begin to pay 100% until claims from one person or a combination of claims from the entire family have met the family deductible of $3,000.

Q. How do I enroll in the QHDP and when is the enrollment deadline?

A. Visit {QHDP WVURC SITE} for enrollment materials and additional plan details. All enrollment materials are due to RC Benefits by end of business on March 8, 2018.

Q. What happens when I meet the deductible of my Qualified High Deductible Plan?

A. Once the deductible is met, the plan plays 100% of covered services for the remainder of the plan year. Visit {QHDP site} for additional plan details.

Q. What will happen to the deductible I have already met on my current plan if I switch now?

A. Any amount you have paid toward your current deductible will be applied to the deductible of your new plan for the current plan year.

Q. What is the difference between a Flexible Spending Account (FSA) and a Health Savings Account (HSA)?

A. Flexible Spending Accounts have lower annual contribution limits, and the funds must be used on qualified medical expenses during the current plan year or the funds are forfeited. FSA accounts are not portable, so funds can be lost if an employee leaves employment mid-year.

HSA contribution limits are higher, and unused funds during the year can be rolled over to future plan years without a penalty. The funds are also portable so the employee can take them with them if they leave employment.

Q. How much can I contribute to my HSA in 2018?

A. For 2018, The IRS contribution limit for self-only is $3,450 and the family contribution limit is $6,900. Those age 55 or older may contribute an additional $1,000 “catch-up.”