

UNDERSTANDING THE COMMONWEALTH OF VIRGINIA HIGH DEDUCTIBLE HEALTH PLAN (HDHP)

The Commonwealth's HDHP is the result of 2005 General Assembly legislation. It features a plan year deductible of \$1,200 for one person and \$2,400 for two or more people that must be met before the plan pays. The deductible applies to your medical, behavioral health and prescription drug benefits. Once the deductible is met, you pay 20% coinsurance for most covered services, and the plan pays the remaining 80%. When two or more people are covered, the entire \$2,400 deductible must be met before the plan pays any expenses for any one person covered under the plan. Under the HDHP, you pay more in out-of-pocket expenses each year before the plan pays 100% of the cost: \$5,000 for one person and \$10,000 for two or more people. The deductible applies to this limit.



Enrollment in the COVA HDHP allows you to set up an individual Health Savings Account (HSA) through a bank or other financial institution. An HSA is a tax-favored account that allows you to make tax-deductible contributions that can be used to pay for medical expenses. Similar to an Individual Retirement Account (IRA), you own the HSA account and your contributions can accumulate over the years. Your HSA goes wherever you go and you are not required to "use it or lose it" at the end of each plan year. HSAs are federally regulated and have special rules about contributions, withdrawals, and what expenses qualify as non-taxable. Your tax advisor, bank or other financial institution can advise you about these rules.

COVA HDHP BENEFITS

Anthem Blue Cross and Blue Shield administers the COVA HDHP, including medical, behavioral health, Employee Assistance Program (EAP), prescription drug and dental benefits. To locate network providers, go to www.anthem.com/cova. Or contact Member Services at 1-800-552-2682 for assistance.

Medical, Behavioral Health and EAP Services

The plan covers services from providers who participate in the Anthem PPO network in Virginia. In addition, members have access to the BlueCard® PPO and BlueCard Worldwide® networks outside Virginia. *Except in an emergency, there is no medical or behavioral health coverage outside the network.* Under the EAP, case managers evaluate the member's situation and refer them to a professional if needed. Go to www.anthemEAP.com to learn about the many services available to you under your EAP.

Prescription Drugs

The COVA HDHP has a mandatory generic prescription drug program with coinsurance. You must meet the deductible before the plan pays at 80%. Drugs may be purchased at retail pharmacies or through the mail service pharmacy. You may go to both in-network or out-of-network retail pharmacies. However, you must file a claim if you use a non-network pharmacy, and reimbursement is limited to the generic drug allowable charge less your deductible or coinsurance.

Dental Benefits

Expanded dental benefits are included. The COVA HDHP deductible does not apply. Dental benefits have a separate deductible that members meet for certain services before the plan pays. You may use both in-network and out-of-network dentists. However, non-network dentists may bill you for amounts above the allowable charge.

SUMMARY OF COVA HDHP BENEFITS

| | | |
|---|--|---|
| Deductible – per plan year <i>(applies to medical, behavioral health, and prescription drug services)</i> | <ul style="list-style-type: none"> • One person • Two or more people | <p>\$1,200</p> <p>\$2,400</p> |
| Out-of-pocket expense limit <i>(per plan year)</i> | <ul style="list-style-type: none"> • One person • Two or more people | <p>\$5,000</p> <p>\$10,000</p> |
| Out-of-network benefits | None, except in an emergency | |
| BlueCard® PPO and BlueCard Worldwide® | This program is included | |
| Lifetime maximum | Unlimited | |
| | Covered Services | In-Network You Pay |
| Ambulance travel | | 20% coinsurance after deductible |
| Behavioral health and EAP | <ul style="list-style-type: none"> • Inpatient treatment • Outpatient visits • Employee Assistance Program (EAP) <ul style="list-style-type: none"> – Up to 4 visits per incident | <p>20% coinsurance after deductible</p> <p>20% coinsurance after deductible</p> <p>\$0, no deductible</p> |
| Diagnostic tests, and x-rays | For specific conditions or diseases at a doctor's office, emergency room or outpatient hospital department | 20% coinsurance after deductible |
| Doctor visits <i>(on an outpatient basis)</i> | | 20% coinsurance after deductible |
| Emergency room visits | <ul style="list-style-type: none"> • All services | 20% coinsurance after deductible |
| Hospital services <i>(including surgery)</i> | <ul style="list-style-type: none"> • Inpatient treatment • Outpatient treatment | <p>20% coinsurance after deductible</p> <p>20% coinsurance after deductible</p> |
| Maternity | <ul style="list-style-type: none"> • All services | 20% coinsurance after deductible |
| Medical equipment, appliances, formulas and supplies | | 20% coinsurance after deductible |
| Outpatient prescription drugs <i>(mandatory generic)</i> | <ul style="list-style-type: none"> • Retail up to 34-day and 90-day supply • Mail service up to 90-day supply | <p>20% coinsurance after deductible</p> <p>20% coinsurance after deductible</p> |
| Shots <i>(allergy & therapeutic injections)</i> | At doctor's office, emergency room or outpatient hospital department | 20% coinsurance after deductible |
| Wellness services | <ul style="list-style-type: none"> • Through age 6 <ul style="list-style-type: none"> – Office visits at specified intervals, immunizations, lab and x-rays • Age 7 & older <ul style="list-style-type: none"> – Annual check-up visit (Primary Care Physician or Specialist) – Immunizations, lab and x-rays • Specified ages – Routine gynecological exam, Pap test, mammography screening, prostate exam (digital rectal exam), prostate specific antigen test (PSA), and colorectal cancer screening. | <p>\$0, no deductible</p> <p>\$0, no deductible</p> <p>\$0, no deductible</p> |

Dental Benefits

| | |
|---|----------------------------------|
| Plan Pays \$1,500 Maximum Per Person Each Plan Year (Applies to all covered dental services except Orthodontic Services) | |
| Deductible – per plan year | |
| • One or two people | \$25 each |
| • Three or more people | \$75 |
| Covered Services | In-Network You Pay |
| Diagnostic and preventive services | \$0, no deductible |
| Primary services | 20% coinsurance after deductible |
| Complex restorative | 50% coinsurance after deductible |
| Orthodontic service (Plan pays \$1,500 maximum per lifetime per enrolled member) | 50% coinsurance after deductible |



TIPS AND TOOLS

- **Look at the total medical expenses** you expect to incur in the plan year as a first step to see if the COVA HDHP is right for you. Compare what you paid in medical expenses in the past year under your current plan, and project what you expect to spend this year if you enroll in the COVA HDHP. Remember that you will be liable for more out-of-pocket costs before the plan pays.
- **Take advantage of health care decision tools** at www.anthem.com/cova. Select the Tools & Offers tab and choose Health Care Decision Tools. Use the *Coverage Advisor* to estimate your anticipated health care expenses. These tools are available to registered users of anthem.com:
 - *Treatment Decision Guide* – for detailed facts about specific medical conditions, topics, and procedures.
 - *Treatment Costs* – shows the costs associated with common health care services.
 - *Hospital Comparison* – compares hospitals in your area based on factors that are important to you.



HSA RESOURCES

- Take the time to learn more about HSAs before you choose one. Many banks and other financial institutions offer these accounts. In addition, there is a wealth of information on the Web.
- www.irs.gov – Provides information about how HSAs impact your federal taxes and qualified medical expenses. Search using keyword HSA and review Publications 969 and 502 in particular.
- www.hhs.gov – Provides general information about HSAs and other tax-favored plans. Search using keyword HSA.
- www.ustreas.gov/offices/public-affairs/hsa – Provides an overview of HSAs, answers to frequently asked questions and important IRS forms and publications.

ESTIMATE YOUR MEDICAL EXPENSES FOR THE PLAN YEAR

Keep These COVA HDHP Plan Basics In Mind

You pay:

- 100% of the allowable charge for covered services up to the deductible (\$1,200 for single; \$2,400 for two or more covered persons), then . . .
- 20% of the allowable charge for covered services, except wellness services, until you reach the out-of-pocket maximum (\$5,000 for single; \$10,000 for two or more covered persons).

Then the plan pays:

- 100% of the allowable charge for covered services for the rest of the plan year.

COVA HDHP Worksheet

Calculate your anticipated annual expenses for doctor visits, prescription drugs, outpatient facility, inpatient hospital, and major diagnostic services. There is no deductible for wellness or preventive care. Don't forget that you may also have unanticipated expenses during the plan year.

| Annual Medical Expenses | |
|---|----|
| _____ | \$ |
| _____ | \$ |
| _____ | \$ |
| _____ | \$ |
| _____ | \$ |
| Subtotal = \$ _____ | |
| Subtract Deductible – \$ _____ | |
| Remaining Expenses = \$ _____ | |
| Multiply by Coinsurance _____ X 20% | |
| Subtotal Expenses = \$ _____ | |
| Total Expenses <i>(subtotal plus deductible)</i> = \$ _____ | |
| <p>Regardless of your total expenses, you will pay no more each plan year than \$5,000 (one person) or \$10,000 (two or more persons) out of your own pocket.</p> | |

| Annual Medical Expenses Example (Sample Only) Female, Age 55, Single | |
|--|-------------|
| Three Doctor visits | \$430.00 |
| Two Prescription Drugs, 12 refills each | \$1,106.00 |
| One Mammogram | \$0.00 |
| Diagnostic lab, x-rays, other tests | \$2,917.00 |
| One bypass surgery | \$65,000.00 |
| Subtotal = \$69,453.00 | |
| Subtract Deductible – \$1,200.00 | |
| Remaining Expenses = \$68,253.00 | |
| Multiply by Coinsurance _____ X 20% | |
| Subtotal Expenses = \$13,650.60 | |
| Total Expenses <i>(subtotal plus deductible)</i> = \$14,850.60 | |
| Total She Pays Out-of-Pocket = \$5,000.00 | |
| <p>This person will pay no more each plan year than \$5,000 out of her own pocket.</p> | |