

**HDHP Frequently Asked Questions
BROWARD HEALTH**

1) What is a High Deductible Health Plan?

A High Deductible Health Plan (HDHP) is a health plan product which, when combined with a Health Savings Account (HSA), provides insurance coverage and a tax-advantaged way to help save for future medical expenses. The HDHP/HSA gives you greater flexibility and discretion over how you use your health care dollars. It is also called a CDHP – Consumer Driven Health Plan.

Broward Health's plan has a \$1,500 single and \$3,000 family deductible before any medical claims are paid (including RX claims), except for preventive care. The in-network out-of-pocket limit is \$5,000 self and \$10,000 family. It is important to remember that once this limit is met, you will not incur additional out-of-pocket covered medical expenses, including doctor visit co-payments and prescriptions.

2) Is the HDHP family deductible an aggregate?

Yes, there is one deductible for the entire family as opposed to the per person deductibles that traditional plans have. Once the family deductible is met, all family members will be considered as having met their payment limit for the calendar year.

3) Under a HDHP, do prescription claims apply toward the plan deductible?

Yes, all covered pharmacy expenses accumulate toward the deductible. Unless otherwise indicated, the deductible must be met prior to pharmacy benefits being payable. Certain chronic and preventive drugs are covered at 80% no deductible for in-network retail locations and through Aetna Rx Home Delivery for mail order. A list of these drugs may be obtained from Aetna customer service or BH's internet/intranet web pages.

4) Will preventive care be covered under Aetna's HDHP?

Aetna covers in-network preventive care services on a first dollar basis. That means your routine physicals, screenings, and immunizations, from mammograms to gynecological exams and well baby care, are not subject to the plan's deductible, coinsurance, or co-pay.

5) What is a Health Savings Account?

A HSA works like an IRA, except that the money is used to pay health care costs. Participants must first enroll in a high deductible insurance plan then, a tax-deductible health savings account may be opened to cover current and future medical expenses. The money deposited, as well as the earnings, is not taxable. The funds can then be withdrawn to cover qualified medical expenses tax-free. Unused balances roll over from year to year.

6) How do I know what is included as "qualified medical expenses"?

"Qualified medical expenses" are defined by IRS code 213(d). Qualified expenses include, but are not limited to, doctors' visits, hospital expenses, lab, x-ray and other diagnostic services, prescription drugs, over the counter drugs, hearing aids, braces, wheelchairs, organ transplants. A list is provided in the IRS Pub 502 (available at www.irs.gov)" or you can request a copy of IRS Publication 502 by calling 1-800-829-3676.

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7) Do I need to file claims with the HSA?

No. You simply pay for qualified expenses using your Aetna HSA Visa Debit Card or HSA checks (optional). You may pay out of pocket if there are not sufficient funds in your HSA account yet or if you want to save HSA funds for future medical expenses. It is recommended that you keep copies of your receipts for your records in the event they are requested by the IRS.

8) What is the maximum contribution limits per year?

Annual contribution limits are set each year. Check with HR for the current maximum.

9) If I get the HSA plan at age 55 or older are there any special "catch up" benefits?

Yes, in addition to the normal contribution levels HSA's have "catch up" provisions. Catch up contributions for individuals who are age 55 is \$1000.

11) What is the penalty for non-qualified withdrawals before age 65?

The penalty for a non-qualified withdrawal prior to age 65 is 20% and the penalty no longer applies after age 65. Non qualified withdrawals are taxable both before and after age 65. Withdrawals from HSAs are tax-free if they are used to pay for qualified medical expenses.

12) Can I pay my health insurance premiums with an HSA?

You can only use your HSA to pay health insurance premiums if you are collecting Federal or State unemployment benefits, or you have COBRA continuation coverage through a former employer.

13) Can I have a Flexible Spending Account (FSA) and an HSA at the same time?

No. You may only have either a FSA or a HSA. Broward Health does not allow employees to have both plans simultaneously.

14) What happens to the money in a Health Savings Account after you turn age 65?

Once you turn age 65, you can also use your account to pay for things other than medical expenses. If used for other expenses, the amount withdrawn will be taxable as income but will not be subject to any other penalties.