

SKIDMORE

Introducing the

(HDHP)

# High-Deductible Health Plan

with HEALTH SAVINGS ACCOUNT (HSA)

**FREQUENTLY  
ASKED  
QUESTIONS**

**WATCH  
FOR UPDATES**

We are committed to providing the information you need to choose the best medical plan for you and your family, and we will continue to add to this FAQ as we receive questions.



## WHAT DOES THE HDHP COVER?

The HDHP covers all the same services as the PPO—like doctor’s office visits and prescriptions. And, just like the PPO, annual checkups and screenings will cost you nothing.



## HOW DOES THE HDHP WORK?

The big difference between an HDHP and a PPO is how you pay for health care costs—so it’s important to understand how it works.

**1. *You pay the deductible for non-preventive medical services and prescriptions.***

Until you reach your annual deductible, you pay the full cost for non-preventive medical services and prescription drugs. Remember, as with the PPO, you pay \$0 for most preventive care and many generic preventive medications.

**2. *Once you reach the deductible, you and the plan share costs.***

You may be accustomed to paying a copay—a predictable cost—when you receive care. In the HDHP, you pay a percentage of the cost for in-network care, and the plan pays the rest. This is called coinsurance.

**3. *If you reach the out-of-pocket maximum, the plan pays 100%.***

The out-of-pocket limit includes your costs for both medical services and prescription drugs. This protects your financial security in the event of serious health problems.

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## WHAT WILL THE DEDUCTIBLE BE IN THE HDHP?

The in-network deductible is **\$1,500** if you cover yourself only and **\$3,000** if you cover yourself and one or more family members.

The deductible is higher if you use out-of-network providers. Specifically, it is **\$3,000** if you cover yourself only and **\$6,000** if you cover yourself and one or more family members.

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## WHAT WILL COINSURANCE BE IN THE HDHP?

For in-network care, your coinsurance is 10%.\*

You will pay 30% if you use out-of-network providers.

*\*NOTE: This is 10% of the contracted provider charges.*

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## WHAT IS THE OUT-OF-POCKET MAXIMUM IN THE HDHP?

The in-network out-of-pocket maximum is **\$4,500** if you cover yourself only and **\$9,000** if you cover yourself and one or more family members. This amount includes the deductible.

The out-of-pocket maximum is higher if you use out-of-network providers. Specifically, it is **\$9,000** if you cover yourself only and **\$18,000** if you cover yourself and one or more family members.



## HOW DOES THE PAYCHECK DEDUCTION FOR THE HDHP COMPARE TO THE COST OF THE PPO?

While the exact amounts have not yet been determined, we expect the HDHP paycheck deductions will be approximately 15% lower than the PPO deductions.

Lower paycheck deductions save you money each pay period, but you pay more when you receive care, because you have a higher deductible.



## WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

The HDHP is paired with an HSA. You and Skidmore can contribute to this account to help you cover health care expenses. The money in your HSA is yours to keep, even if you change medical plans or jobs. In fact, many people use their HSAs to save money for health care needs in retirement.



## IF I ENROLL IN THE HDHP, WILL SKIDMORE MAKE A CONTRIBUTION TO MY HSA?

**Yes.** In 2023, Skidmore will contribute to an employee's HSA.



## HOW MUCH MONEY WILL SKIDMORE CONTRIBUTE TO THE HSA?

The amount that Skidmore will contribute differs depending on whom you cover.

- If you are covering yourself only, Skidmore will contribute \$750 in 2023.
- If you are covering yourself and one or more family members, Skidmore will contribute \$1,500 in 2023.



## WHEN WILL SKIDMORE BE MAKING THEIR CONTRIBUTION TO THE HSA?

Skidmore will make their contribution to the employee's HSA on January 1, 2023. This means that you will be able to access the funds to help pay your out-of-pocket costs immediately.



## I'M WORRIED ABOUT MY OUT-OF-POCKET COSTS BEFORE I MEET MY DEDUCTIBLE. HOW CAN THE HSA HELP?

You can use the money in your HSA to help pay your out-of-pocket costs—before reaching your deductible and to help with coinsurance. This includes the contribution made by Skidmore and any additional funds that you contribute. At a minimum, it makes sense to contribute the amount you're saving in paycheck deductions by choosing the HDHP over the PPO.



## HOW DOES AN HSA HELP ME SAVE FOR FUTURE MEDICAL EXPENSES?

An HSA is the only savings vehicle that gives you three ways to save on taxes. You pay no taxes on:

- Money that you and Skidmore put into the account
- Money your account earns from interest and investments
- Money you use to pay for eligible health care expenses

And the money rolls over from year to year. Plus, you can invest the money, so you have the choice of saving it all for health care needs in retirement.



## WHO WILL BE THE HSA CUSTODIAN?

Your HSA will be administered by Wealthcare Saver Bank.



## WILL WE BE ABLE TO INVEST OUR HSA BALANCES?

Yes. Once your HSA balance reaches \$1,000, you can invest your HSA funds. Any investment earnings you make with your HSA are tax free.

There is a small charge for investing. The fee varies depending on the level of service you choose: Self-directed, Managed, or Brokerage.

It's easy to manage your HSA cash account and your investments from an online portal or mobile app.



## DO THE FUND OPTIONS INCLUDE EXCHANGE-TRADED FUNDS (ETFs)?

Yes. There are a variety of fund options, including ETFs.



## HOW DO I DECIDE IF THE HDHP WITH HSA IS A GOOD CHOICE FOR ME AND MY FAMILY?

While there are many benefits to enrolling in an HDHP with HSA, it isn't what's best for everyone. Some things to consider are:

- **Are you able to pay for the cost of health care, including prescriptions, on your own until you reach your deductible?** *This is an important part of the HDHP. Note that the PPO will also have a deductible beginning in 2023—although it is smaller.*
- **Are you more comfortable having a copay that is predictable?** *The HDHP probably isn't right for you. Although, as noted above, there is a deductible in the PPO as well, beginning in 2023.*
- **Are you looking for an additional way to save money for future health care needs?** *The HSA offers you a great new savings vehicle, similar to your 403(b).*
- **Are you overpaying for your medical plan now, because you and your family don't use a lot of health care services?** *You pay less out of your paycheck for the HDHP, so you're not paying for care you don't use.*



## I DON'T SEE THE ANSWER TO MY QUESTION. HOW CAN I GET IT ANSWERED?

Send an email to [lgoodwin@skidmore.edu](mailto:lgoodwin@skidmore.edu). We'll answer your question and add it to this FAQ to help others in the Community who might be wondering the same thing.

In addition, watch for more communication from us before the upcoming fall open enrollment, including:

- Open enrollment meetings
- Decision Support Guide
- And more