SKIDMORE

# MEDICAL PLAN DECISION GUIDE

**You have some choices to make—a new medical plan option is available in 2023!**

**IMPORTANT:**

Review your medical plan options carefully during open enrollment and choose the plan that best meets your needs next year.

# Choose What's Best for You

You asked—we listened. Last year, the Healthcare Working Group asked for input from the Community about possible changes to our health benefits. Many of you responded, and the results showed that nearly 25% of the Community is interested in having an additional health plan option to choose from.

For that reason, we're excited to announce that a new medical plan will be offered as a choice during 2023 open enrollment, in addition to the existing PPO Plan and EPO Plan.

**Since you have three medical plans to choose from during open enrollment—including one that's brand new—we ask that you review and compare your medical plan options carefully, and choose what's best for you and your family for 2023.**

To help you make an informed decision during open enrollment, we've created this guide. Here, you'll see how the new medical plan—known as a high-deductible health plan (HDHP)—compares to the plans you're currently offered and will learn which plan may be best for you, depending on your and your family's personal situation. You'll also find information about the spending and savings accounts that can help you get the most from your medical coverage.

We know that, as you're reading this guide, you may have many questions. In addition to this guide, there will be more information shared during your open enrollment meetings and on skidmore.edu/benefits. You can also always reach out to Human Resources if you have any questions.

*Let's get started!*

## WHY IS SKIDMORE OFFERING A NEW MEDICAL PLAN OPTION?

Skidmore is offering a new medical plan option because our Community asked for more choices. Here's how the new plan works:

- **More choices:** An additional medical plan option with the same plan administrator and provider network you're accustomed to
- **Lower health care contributions:** About 20% less in per-paycheck contributions and no cost for most preventive services and preventive drugs
- **Save more for the future:** The new plan is paired with a special health savings account that you (and Skidmore) contribute to with pretax dollars. You can use the money in this account to cover health care costs today, next year, or decades from now. It will earn interest and continue to grow until you use it.

# Table of Contents



# Your Skidmore Medical Plan Options

With the introduction of the new medical plan, you now have three options to choose from during open enrollment, all administered by MVP Health Care:

- The new high-deductible health plan (HDHP) with a health savings account (HSA)
- The EPO Plan
- The PPO Plan

## WHAT'S DIFFERENT?

While the plans share many similarities, they also have a few key differences:

- **Per-paycheck contributions.** The cost of coverage under the PPO Plan and the EPO Plan are higher than the cost of coverage under the HDHP.
- **Annual deductibles.** The HDHP has a higher deductible but lower per-paycheck contributions, whereas the EPO Plan and the PPO Plan have lower deductibles (new this year) but higher per-paycheck contributions.
- **In-network and out-of-network providers.** The PPO Plan and the HDHP pay benefits for care from in-network and out-of-network providers. The EPO Plan does not cover out-of-network care (except for emergencies, routine immunizations, and frames and lenses for vision care).
- **Savings and spending accounts.** Your ability to participate in a health savings account (HSA) or health flexible spending account (health FSA) will vary, depending on which plan you enroll in.

## WHAT'S SIMILAR?

With all three plans, you'll have access to a national network of participating doctors, hospitals, labs, and other health care facilities through the MVP Participating Provider Network. Each plan pays 100% of the cost of preventive care received from in-network providers (e.g., adult routine physical, routine ob-gyn visit, etc.). The plans are similar in many other ways too. All plans provide:

- Comprehensive medical and prescription drug coverage
- A cap on what you will pay in a calendar year (known as an out-of-pocket maximum)
- Prescription drug utilization management program (including step therapy—an approach to more affordable prescriptions—and prior authorization for certain medications)
- Access to telemedicine services, and more

The right plan for you and your family will depend on how often you and your covered family members anticipate needing medical care, the kind of care you anticipate needing, if you would like to save more for retirement, and whether all the doctors, hospitals, labs, and other health care facilities you plan to use participate in the network.

Let's take a closer look at your medical plan options.

# The High-Deductible Health Plan

At Skidmore, we want to empower you to make the best choice for your and your family's needs. The new high-deductible health plan (HDHP) gives you more choice over how you pay for health care. By using the HDHP, you'll benefit from tax-advantaged savings that you can use now or save for the future.

The HDHP provides you with lower per-paycheck contributions and more control over your health care spending through a health savings account (HSA).

## HOW COVERAGE UNDER THE HDHP WORKS

Here's a quick summary on how the plan works. To review all the plan details, view the Summary of Benefits Coverage, located on skidmore.edu/benefits.

- If you enroll in the HDHP, you'll pay less in per-paycheck contributions than the PPO Plan or the EPO Plan. However, you may pay more at the doctor's office, because the plan has a higher deductible. This means that, for non-preventive services, you'll need to meet the annual deductible before the plan starts sharing costs with you.
- After you meet your annual deductible, the plan will share the cost of your medical care and prescription drugs until you meet the annual out-of-pocket maximum, which is a cap on what you'll pay in a plan year for covered services.
- Once you meet your annual out-of-pocket maximum, the plan will pay 100% of eligible expenses for the rest of the calendar year.

Understanding how the features of the HDHP work will help you see how your health care is covered. One of the most important features of the HDHP is the HSA that it's paired with. Skidmore will contribute to your HSA and you can choose to as well, to help pay for eligible health care expenses.

## ABOUT THE HSA

This special savings account is only available with the HDHP. Think of the HSA as a second savings account, set up through our medical plan administrator—MVP Health Care. You can use the money in your HSA to cover current eligible health care expenses, like your annual deductible, copays, coinsurance, dental and vision care expenses, many over-the-counter drugs, and health care supplies. The money will be there for you to use next year, in three years, and decades from now. That's because the HSA is yours forever, even if you change plans, change jobs, leave Skidmore, or retire.

Your entire unused balance rolls over from year to year, earning interest along the way. And for even greater growth potential, you can invest part of your balance once it reaches $1,000.

### THE HSA TRIPLE TAX ADVANTAGE

One of the advantages of using the HSA is that it helps you save on taxes in three different ways. Here are the triple tax advantages:

- Funds contributed by you and Skidmore are deposited on a pretax basis into your account.
- Your HSA funds grow from interest and investments—any earnings are not taxed.
- When you use your HSA funds on qualified health care expenses, funds are withdrawn from your account tax-free.

## Using your HSA

If you enroll in the HDHP during open enrollment, your HSA account will be opened by MVP Health Care. You will have to activate your account online by visiting mvphealthcare.wealthcareportal.com. Select **Register**, then follow the instructions onscreen. Once your account is activated, you'll receive a CareFund debit card in the mail, which can be used to pay for qualified expenses at pharmacies, grocery stores, and more.

**Note:** If you have a PO box, you'll receive Customer Identification Program (CIP) paperwork that will need to be completed to verify your identity and physical address, prior to account activation. This is a part of the USA PATRIOT Act—if you do not complete and return your paperwork, your HSA will remain inactive.

## Eligibility

To be eligible for the HSA, you must be enrolled in the HDHP. You're not eligible for the HSA if:

- You're someone's tax dependent.
- You're enrolled in another Skidmore medical plan, such as the EPO Plan or the PPO Plan; Medicare, including the Skidmore UHC Plan; or medical coverage through a spouse or domestic partner or parent.
- You're enrolling in a health flexible spending account (FSA) for 2023.

Further restrictions may apply. For more details about HSA eligibility, visit irs.gov/publications/p969. Note that all eligibility rules related to the HSA are determined by the IRS.

## Funding your HSA

If you enroll in the HDHP, you can elect your HSA contribution amount during open enrollment. In addition to the contributions you make, you'll also get contributions from Skidmore. Here are the total HSA contributions you'll get from Skidmore in 2023, depending on which coverage level you enroll in:

| COVERAGE | CONTRIBUTION |
|---|---|
| Yourself only | $750 |
| Yourself plus one or more family members | $1,500 |

One thing to keep in mind when contributing to the HSA is that annual limits, set by the IRS, apply. In 2023, your contributions—combined with Skidmore's—can't exceed $3,850 if you cover yourself only, or $7,750 if you cover yourself and family members. You can contribute an additional $1,000 to your HSA if you're age 55 or older in 2023.

As you decide how much to contribute, make sure your contributions, plus Skidmore's, don't exceed the IRS maximum.

# The PPO Plan and EPO Plan

Skidmore will continue to offer both the PPO Plan and the EPO Plan. With the introduction of the HDHP, there have been a few changes to the designs of these plans for 2023, including the introduction of a low deductible. Your annual medical out-of-pocket maximum, and what you pay for in-network versus out-of-network care, will continue unchanged.

## HOW COVERAGE UNDER THE PPO PLAN AND THE EPO PLAN WORKS

Both the PPO Plan and the EPO Plan require higher per-paycheck contributions, as compared to the HDHP, but have lower deductibles. Here's a quick summary on how both plans work, with a few slight differences. To review all the plan details, view your Summaries of Benefits Coverage, located on skidmore.edu/benefits.

- If you enroll in the PPO Plan or the EPO Plan, you'll pay more in per-paycheck contributions than the HDHP.
- You will be responsible for the cost of copays or coinsurance when receiving health care services, after the deductible has been met.
- Like the HDHP, both the PPO Plan and EPO Plan have annual out-of-pocket maximums, which is a cap on what you'll have to spend for in-network copays and coinsurance. Once you meet your annual out-of-pocket maximum, the plans will pay 100% of eligible expenses for the rest of the calendar year.
- The biggest difference between the two plans is that the EPO Plan does not cover out-of-network care. The PPO Plan does cover out-of-network care for many services; however, you'll pay less for care when you see in-network providers.
- Additionally, coverage for some in-network services vary between the two plans. For example, the EPO Plan covers preventive dental services for children up to age 19. The PPO Plan includes more fertility services than the EPO Plan, including IVF. Note that the PPO Plan pays a larger percentage of the cost for certain services than the EPO Plan.
- Unlike the HDHP, the EPO Plan and the PPO Plan don't come with the HSA. However, you can participate in a health FSA.

# About the Health Flexible Spending Account (FSA)

If you choose the PPO Plan or the EPO Plan, you have another way to set aside money for your health care expenses: Skidmore's health FSA. This type of account has been available to you for many years, and you have the option to enroll in it annually, during open enrollment.

## HOW THE HEALTH FSA WORKS

Skidmore deducts your contributions from your paycheck before taxes are withheld, which reduces your taxable income. You can use your health FSA to pay for eligible health care expenses.

Like the HSA, the IRS limits how much you can contribute annually to the health FSA ($2,850 in 2023). Unlike the HSA, however, the FSA is a use-it-or-lose-it account. This means that if you leave Skidmore, retire, or don't submit eligible expenses for reimbursement, you'll lose the funds in your account, unless you decide to continue medical coverage through COBRA.

Note that current health FSA participants are able to roll over up to $550 in FSA funds for use in 2023. It's important to note that if you plan to switch to the HDHP with the HSA during open enrollment, all health FSA funds—including any rollover funds—must be used before you can open your HSA. You will not be eligible to open your HSA until your health FSA balance is at $0.

### ANOTHER WAY TO SAVE WITH THE DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

All benefits-eligible Skidmore Community members, regardless of medical plan enrollment, can participate in the dependent care FSA. Like the health FSA, the dependent care FSA allows you to set aside money to pay for eligible dependent care expenses. It can also be used in addition to either the HSA or the health FSA.

To learn more about the dependent care FSA, visit skidmore.edu/benefits.

# Health Savings Account versus Flexible Spending Accounts

The table below provides an overview of each saving and spending account that Skidmore offers—the HSA, the health FSA, and the dependent care FSA.

| ACCOUNT FEATURE | HSA | HEALTH FSA | DEPENDENT CARE FSA |
|---|---|---|---|
| Who's eligible? | HDHP participants with a few exceptions | EPO Plan or PPO Plan participants | All benefits-eligible Skidmore Community members |
| Skidmore contributes to the account | ✓ | | |
| You can invest the money in the account | ✓ | | |
| Your balance carries over from year to year | ✓ | Up to $550 | |
| You can take your account with you if you leave Skidmore | ✓ | | |
| Money in the account is tax-free | ✓ | ✓ | ✓ |
| Account administrator | WealthCare Saver | Benefit Strategies | Benefit Strategies |

## Important Note About the Health FSA and HSA

***You cannot be enrolled in the health FSA and the HSA at the same time.***

*If you're currently enrolled in the health FSA and plan to switch to the HDHP during open enrollment, you must spend all your 2022 health FSA funds by December 31. While you are eligible to roll over up to $550 of health FSA funds into 2023, you will not be able to open your HSA until your health FSA balance is at $0.*

# Your Skidmore Medical Plans: What You Pay for Care

| | PPO PLAN | | EPO PLAN | HDHP | |
|---|---|---|---|---|---|
| | In-network | Out-of-network | In-network only | In-network | Out-of-network |
| **Preventive care** | $0, before deductible | 20% coinsurance, after deductible* | $0, before deductible | $0, before deductible | 30% coinsurance, after deductible |
| **Annual deductible** | $200 individual / $400 family (medical only) | $200 individual / $400 family (medical only) | $200 individual / $400 family (medical only) | $1,500 individual / $3,000 family** | $3,000 individual / $6,000 family** |
| **Annual out-of-pocket maximum (medical)** | $1,500 individual / $3,000 family | $3,000 individual / $6,000 family | $1,500 individual / $3,000 family | $4,500 individual / $9,000 family** | $9,000 individual / $18,000 family** |
| **Annual out-of-pocket maximum (prescription drugs)** | $7,600 individual / $15,200 family | Not applicable | $7,600 individual / $15,200 family | | |
| **HSA account funding (provided by Skidmore)** | Not eligible | | | $750 individual / $1,500 family | |
| **Primary care physician office visit** | $25 copay, after deductible | 20% coinsurance, after deductible | $25 copay, after deductible | 10% coinsurance, after in-network deductible | 30% coinsurance, after out-of-network deductible |
| **Specialist visit** | $40 copay, after deductible | 20% coinsurance, after deductible | $40 copay, after deductible | 10% coinsurance, after in-network deductible | 30% coinsurance, after out-of-network deductible |
| **Emergency room visit** | $100 copay, after deductible | $100 copay, after deductible | $100 copay, after deductible | $100 copay, after in-network deductible | |
| **Lab, X-ray, and diagnostic testing** | $0, after deductible | 20% coinsurance, after deductible | $0 lab or diagnostic testing; $40 copay X-rays, after deductible | 10% coinsurance, after in-network deductible | 30% coinsurance, after out-of-network deductible |
| **Advanced imaging services (CAT and PET scans, MRIs)** | $0, after deductible | 20% coinsurance, after deductible | $40 copay, after deductible | 10% coinsurance, after in-network deductible | 30% coinsurance, after out-of-network deductible |

** Routine immunizations are covered in full. See the Summary Plan Description for details about covered preventive care.*

*** Your annual deductible and annual out-of-pocket maximum under the HDHP include both medical and prescription drug expenses.*

# Need Help Choosing a Medical Plan? Get Support From People Like You!

Choosing a medical plan that best meets the needs of you and your family can be challenging, so it helps to see how each of our medical plans can benefit people in similar life situations to yours.

# KRISTEN

## SINGLE / 26 YEARS OLD / NO CHILDREN / $60K SALARY

Kristen is a single, 26-year-old who has been working at Skidmore for four years. She's enrolling in benefits for the first time and isn't sure which plan to pick. Before turning 26, Kristen was on her parent's medical plan, where she was able to stay on top of preventive care—routinely getting her annual physical with her primary care physician and her well visit with her ob-gyn—and seeing her psychiatrist monthly to treat her anxiety. Kristen recently moved out of her parent's home and is covering a lot of new expenses—like rent—in addition to paying off her student loans. She recently got a salary increase from Skidmore and can put more money aside for her future.

Kristen looks at her medical plan options for 2023 and likes that with the new HDHP, she can pay less out of her paycheck for medical contributions, while also tucking money away for future health care needs through the health savings account. She also likes that since she's young, this account will stay with her for the rest of her career—and through retirement! Based on her current medical needs, Kristen does the math and finds the HDHP is the right choice for her next year:

- $61.57 in per-paycheck contributions
- Annual deductible: $1,500
- $0 annual physical
- $0 well visit
- 10% coinsurance, after the deductible, for any in-network behavioral health services
- $750 in HSA contributions from Skidmore, plus an additional $3,100 in personal pretax contributions of $129.17 per paycheck in 2023

# PATRICK

## MARRIED / 52 YEARS OLD / THREE CHILDREN / $125K SALARY

Patrick is 52 years old and has been working at Skidmore for over 15 years. Patrick has type 1 diabetes, and his daughter, Elizabeth, has asthma, so good medical coverage is a must for his family. Until now, Patrick has been enrolled in the PPO Plan. He's been seeing the same, in-network doctors for years and likes having a predictable copay at office visits. Recently, however, Patrick has been overwhelmed by his finances. He likes that the new HDHP comes with a health savings account, allowing him to save and invest more money for retirement. With his and his daughter's health conditions, his two children and wife, Patrick is confident that his family will meet the annual deductible, allowing them to take full advantage of the plan throughout the year. Here's how the HDHP will help Patrick and his family next year:

- $322.96 in per-paycheck contributions
- Annual deductible: $3,000
- $1,500 in HSA contributions from Skidmore, plus an additional $6,250 in pretax personal contributions of $260.42 per paycheck in 2023
- 10% coinsurance, after deductible, for in-network primary care physician visits and diabetes education
- 20% coinsurance, after deductible, for most retail and mail-order drugs

# LAURA

## MARRIED / 32 YEARS OLD / NO CHILDREN / $90K SALARY

Laura is 32 years old and has been working at Skidmore for seven years. Laura and her husband, John, currently have low health care expenses; however, they'd like to start trying for a baby in the coming months. They've been enrolled in the EPO Plan since Laura started her career with Skidmore but think that their per-paycheck contributions for medical coverage are too high. They like that any visits to their doctors now come with a predictable copay and are afraid of losing that, if they switch to the HDHP—especially because they're expecting to have more maternity visits in the coming months. Laura and John look at their anticipated health care needs for 2023 and compare the EPO Plan to the HDHP. They find that they'll have more future savings opportunities with the HDHP.

**EPO Plan**

- $225.28 in per-paycheck contributions
- Annual deductible: $400
- $25 copay for maternity-related in-network office visits; $250 copay and continuous hospital stay for childbirth or delivery facility services
- $2,850 in personal contributions through the health FSA

**HDHP**

- $181.94 in per-paycheck contributions
- Annual deductible: $3,000
- 10% coinsurance, after the deductible, for in-network maternity care
- $1,500 in HSA contributions from Skidmore, plus an additional $6,250 in pretax personal contributions of $260.42 per paycheck in 2023

# Additional Resources for Making Your Medical Plan Decision

Thank you for investing the time to review this guide. You can also go to skidmore.edu/benefits for additional information and resources, including:

- A high-deductible health plan landing page, with links to frequently asked questions (FAQs) and a copy of this medical plan decision guide.
- A 2023 benefits landing page, with links to our 2023 open enrollment materials, including our open enrollment meetings.

## MAKE YOUR CHOICES: NOVEMBER 3–18, 2022

Open enrollment is your opportunity to decide if you want to give the new plan a try and to choose or make changes to other benefits. With so much to consider, now is a good time to take a fresh look at all the benefits Skidmore has to offer.