

# Bryn Mawr College Medical Plan Comparison November 1, 2011

## Personal Choice PPO

Preferred Provider Organization (PPO). Coverage is 100% after a \$20 copay for primary doctors and \$30 for specialists in the Personal Choice network. Copay prescription plan (\$20 generic, \$40 brand name formulary, \$60 brand name non-formulary) includes a mail-order option. Emergencies are covered at 100% after a \$150 copay that is waived if admitted. Approved in-network hospitalization is covered at 100% after a \$150 per day copay (capped at 5 days per admission) and out-patient surgery is covered at 100% after a \$150 copay. Out-of-network benefits are covered at 70% of allowed charges after a \$500 deductible. Routine vision exam and glasses/contact lens reimbursement every two years.

## **Advantages**

- Option of staying within or leaving the network
- No assignment to a primary care physician
- No need to obtain specialist referrals
- Only Personal Choice plans are available when the employee is residing outside of the Philadelphia area
- While both networks are large, more providers participate with Personal Choice than with Keystone
- In-network benefits available through other Blue Cross PPO plans across the U.S. through the Blue Card program
- Provides in-network benefits outside of the U.S. through the BlueCard Worldwide program
- Better in-network chiropractic and physical therapy coverage than Keystone
- Out-of-network benefits are much better than the HDHP

## **Disadvantages**

- Most expensive premium cost
- Higher office visit and prescription copays than the Keystone plans
- \$150 per day inpatient hospital copay (capped at 5 days per admission) versus \$100 on the Keystone plans
- \$150 outpatient surgery copay versus \$50 on the Keystone plans
- Higher deductible and lower coinsurance than Keystone POS for out-of-network care
- Outpatient radiology and x-ray services are subject to \$30 copay, versus none on the Keystone plans
- Durable medical equipment is subject to a \$30 copay per rental period, versus none on the Keystone plans

## **Personal Choice PPO High Deductible Plan**

The HDHP plan uses the Personal Choice network. However, unlike the regular Personal Choice plan, the HDHP provides no coverage for in-network services until an annual deductible has been met. The plan year deductibles are \$1,500 for single coverage and \$3,000 for family coverage. Routine vision exam and glasses/contact lens reimbursement (every two years) and preventive services (as defined by health care reform) are not subject to the calendar year deductible.

Once the \$1,500 or \$3,000 deductible is met, in-network expenses are reimbursed at 100%. The exception is for prescriptions, which are subject to a \$5 generic, \$20 brand name formulary and \$45 brand name non-formulary copay once the applicable deductible has been met. Unlike the regular Personal Choice plan, the individual deductible does not apply to family enrollment. The \$3,000 must be met in its entirety under a family contract before 100% in-network coverage goes into effect.

HDHP enrollees who use in-network providers should not pay for services on the date of the visit. An explanation of benefits will be mailed by Independence Blue Cross after the visit has occurred which will specify the exact amount that is to be paid to the in-network provider. Out-of-network benefits are covered at 50% of allowed charges after a \$5,000 single and \$10,000 family deductible.

The HSA is an optional feature of the HDHP and can be used to pay for medical expenses with pretax dollars. Annual contributions to the HSA are determined by the IRS. The maximum annual contribution that an individual, with individual coverage, can make to an HSA is \$3,050 for 2011 and \$3,100 for 2012. In the case of a family, with family coverage, the maximum annual contribution is \$6,150 in 2011 and \$6,250 in 2012. HSA holders age 55 and older may make an additional annual contribution of \$1,000.

HSA enrollment is limited to HDHP enrollees who have no other health coverage. This includes participation in an FSA health care savings account. HDHP enrollees should also not participate in the HSA if enrolled in Medicare (Parts A or B) or Medicaid.

HSA contributions will be deposited at an FDIC-insured account that each participant establishes at The Bancorp Bank. After the HSA account is opened, participants elect the HSA contribution to be deducted from each pay. Bancorp HSA enrollees will receive a debit card and checks for which distributions from the account will be made.

### **Advantages**

- By far the least expensive plan
- Money paid back on single HDHP coverage can be used to fund the HSA resulting in pre-tax claim payment
- Most HDHP participants have the option of using the FSA for pre-tax claim reimbursement if the HSA is not available or if the HDHP participant opts not to enroll in the HSA
- The HDHP has 100% coverage on most expenses once the annual deductible has been met
- HDHP family deductible can be cost effective for larger families
- Once the deductible is met, the HDHP has lower prescription copays than any other plan
- Unlike an FSA account, the HSA has no “use it or lose it” feature and HSA investments can earn a return

- Unlike an FSA, no one other than the account holder will monitor the distribution process
- The HSA is portable if employment ends and can be funded through another HDHP
- Unlike the FSA, a domestic partner may be able to open an HSA if enrolled by the employee in the HDHP
- HDHP participants have the option of staying within or leaving the network
- No assignment to a primary care physician
- No need to obtain specialist referrals
- Only Personal Choice plans are available when the employee is residing outside of the Philadelphia area
- While both networks are large, more providers participate with Personal Choice than with Keystone
- In-network benefits available through other Blue Cross PPO plans across the U.S. through the BlueCard program
- Better in-network chiropractic and physical therapy coverage than Keystone

### **Disadvantages**

- The HDHP has a large upfront cost that must be met before most services are covered
- If the participant intends to use the HSA, money must be available in the account or the participant will have to pay the claim from other means
- Not all doctor offices are familiar with HDHP billing practices and may request upfront payment
- The HDHP has extremely limited out-of-network benefits including a very high deductible and low coinsurance
- BlueCard Worldwide coverage may not be readily available. This can create coverage gaps for faculty on sabbatical who must rely on extremely limited out-of-network benefits when seeking non-emergency treatment. Supplemental travel accident insurance should be considered
- \$1,500 HDHP deductible only applies to single coverage. Participants with coverage greater than single must meet a \$3,000 deductible, even if all of the expense is incurred by one person
- If using the HSA, there is a required filing of Form 8889 when submitting the annual Form 1040 federal tax return
- If using the HSA, extensive record keeping is required to document that expenses were eligible for pre-tax payment
- If using the HSA, the participant must be familiar with what constitutes a qualified medical expense at the time of payment. Non-qualified expenses are subject to income taxes and possibly excise taxes, if the participant is under age 65
- The HSA is not available to all employees, including anyone enrolled in any other form of group medical coverage, including an FSA, Medicare or Medicaid

- The HSA has banking fees similar to a saving and checking account that are not waived unless certain conditions are met. The current arrangement with Bancorp is that fees will be charged after the first 3 statement cycles if the HSA has a balance of less than \$1,500. Current fees are \$2.50 per month for a paper statement and \$1.25 per month for an electronic statement

### **Keystone POS**

Plan is positioned between an HMO and a PPO. Like an HMO, participants enroll with a primary care physician (PCP). When care is required, the “point-of-service”, the choice is made to seek that care through the PCP (referred care) or from any other provider (self-referred care).

Coverage is 100% after a \$15 copay for visits to the PCP and \$25 to referred specialists. Copay prescription plan (\$15 generic, \$35 brand name formulary, \$50 brand name non-formulary) includes a mail-order option. Emergencies are covered at 100% after a \$150 copay that is waived if admitted. Approved In-network hospitalization is covered at 100% after a \$100 per day copay (capped at 5 days per admission) and out-patient surgery is covered at 100% after a \$50 copay. Routine vision exam and glasses/contact lens reimbursement every two years. Self-referred care is paid at 80% of allowed charges after a \$200 deductible.

### **Advantages**

- Provides the same referred benefits as the Keystone HMO plus the option of self-referral
- Lower office visit, prescription, hospital and outpatient surgery copays than Personal Choice
- Lower deductible and higher coinsurance than Personal Choice for self-referred care
- No copay for pre-certified radiology and x-ray services
- No copay for approved durable medical equipment rentals
- Unlike Personal Choice, Keystone provides coverage for artificial insemination

### **Disadvantages**

- The PCP must refer in-network care or payment reverts to self-referred level
- In-network coverage is limited to the Philadelphia area, and except for limited guest HMO access, members cannot be enrolled with an out-of-area address
- Limited referred rehabilitative benefits (physical therapy/occupational therapy/chiropractic care) although better than Keystone HMO since self-referred benefits are available
- Referred radiology, laboratory, podiatry and physical/occupational therapy services must be received at a contracted site
- While both networks are large, Keystone is not quite as large as Personal Choice and participating doctors do sometimes stop accepting new Keystone patients

### **Keystone HMO**

Health Maintenance Organization (HMO). Coverage is 100% after a \$15 copay for visits to the primary care physician (PCP) and \$25 to referred specialists. Copay prescription plan (\$15 generic, \$35 brand name and \$50 brand name non-formulary) includes a mail-order option. Emergencies are covered at 100% after a \$150 copay that is waived if admitted. Approved In-network hospitalization is covered at 100% after a \$100 per day copay (capped at 5 days per

admission) and out-patient surgery is covered at 100% after a \$50 copay. Routine vision exam and glasses/contact lens reimbursement every two years.

### **Advantages**

- Other than the HDHP, least expensive premium cost
- Lower office visit, prescription, hospital and outpatient surgery copays than Personal Choice
- No copay for pre-certified radiology and x-ray services
- No copay for approved durable medical equipment rentals
- Unlike Personal Choice, Keystone provides coverage for artificial insemination

### **Disadvantages**

- All primary care must be obtained through the PCP or it will not be covered
- The PCP must refer all specialist care or it will not be covered
- Except for emergencies, urgent care and limited guest HMO access, coverage is limited to the Philadelphia area and members cannot be enrolled with an out-of-area address
- Limited rehabilitative benefits (physical therapy/occupational therapy/chiropractic care)
- Radiology, laboratory, podiatry and physical/occupational therapy services must be received at a contracted site
- While both networks are large, Keystone is not quite as large as Personal Choice and participating doctors do sometimes stop accepting new Keystone patients