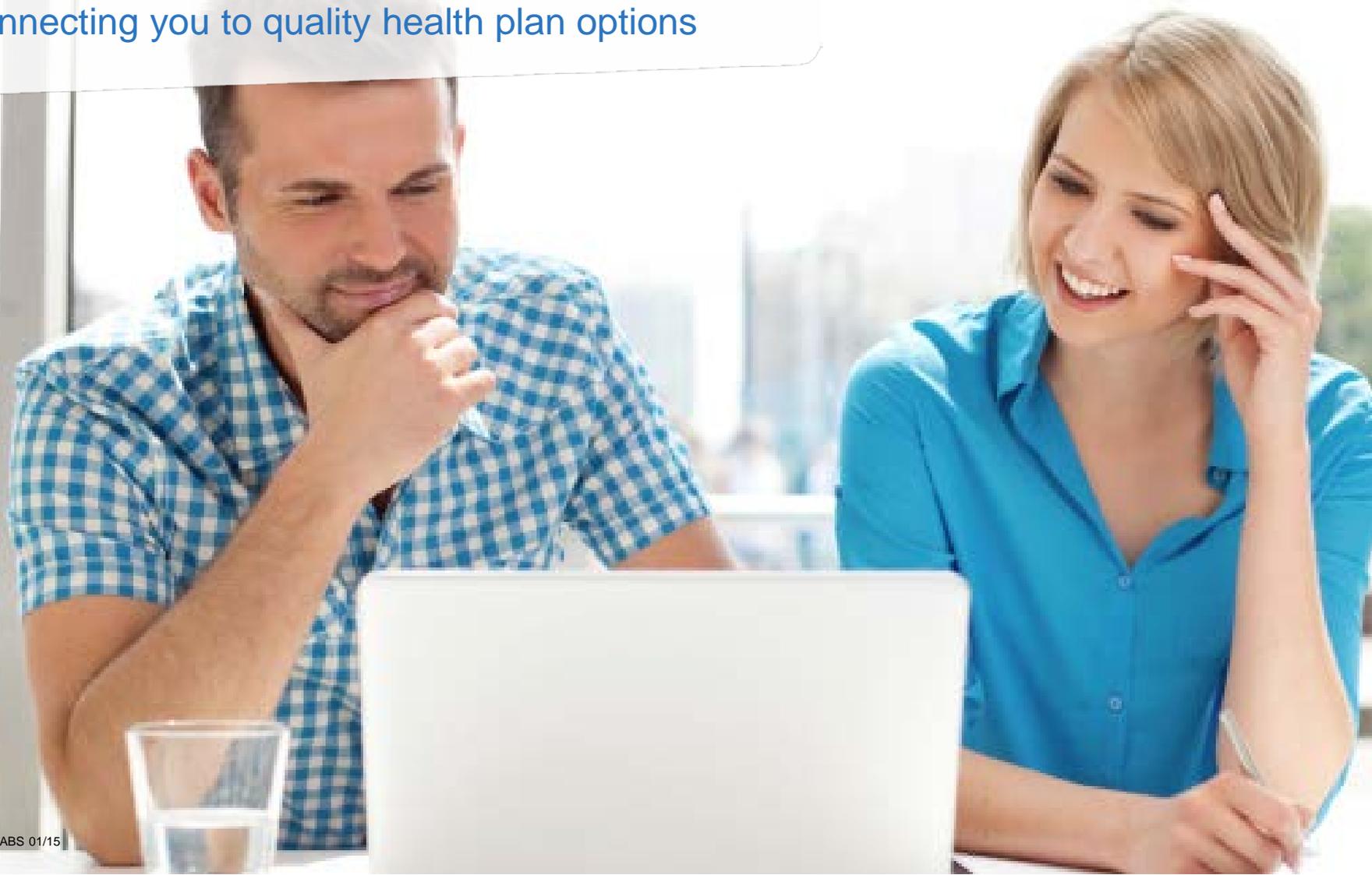


# Open Enrollment 2016-2017

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City of Salem & Salem City Schools  
Connecting you to quality health plan options



## Welcome to Anthem

### **Our goal is to have the healthiest members in the world**

- We are one of the nation's largest health insurers, backed by the security of Blue Cross and Blue Shield.
- We've been in business for over 80 years, connecting our members to effective, accessible health care and one of the largest networks of doctors and hospitals in America

# Agenda

What's new for 2016-17

Your health plan options

Understanding how the HDHP with HSA works

Using your health plan (tips and resources)



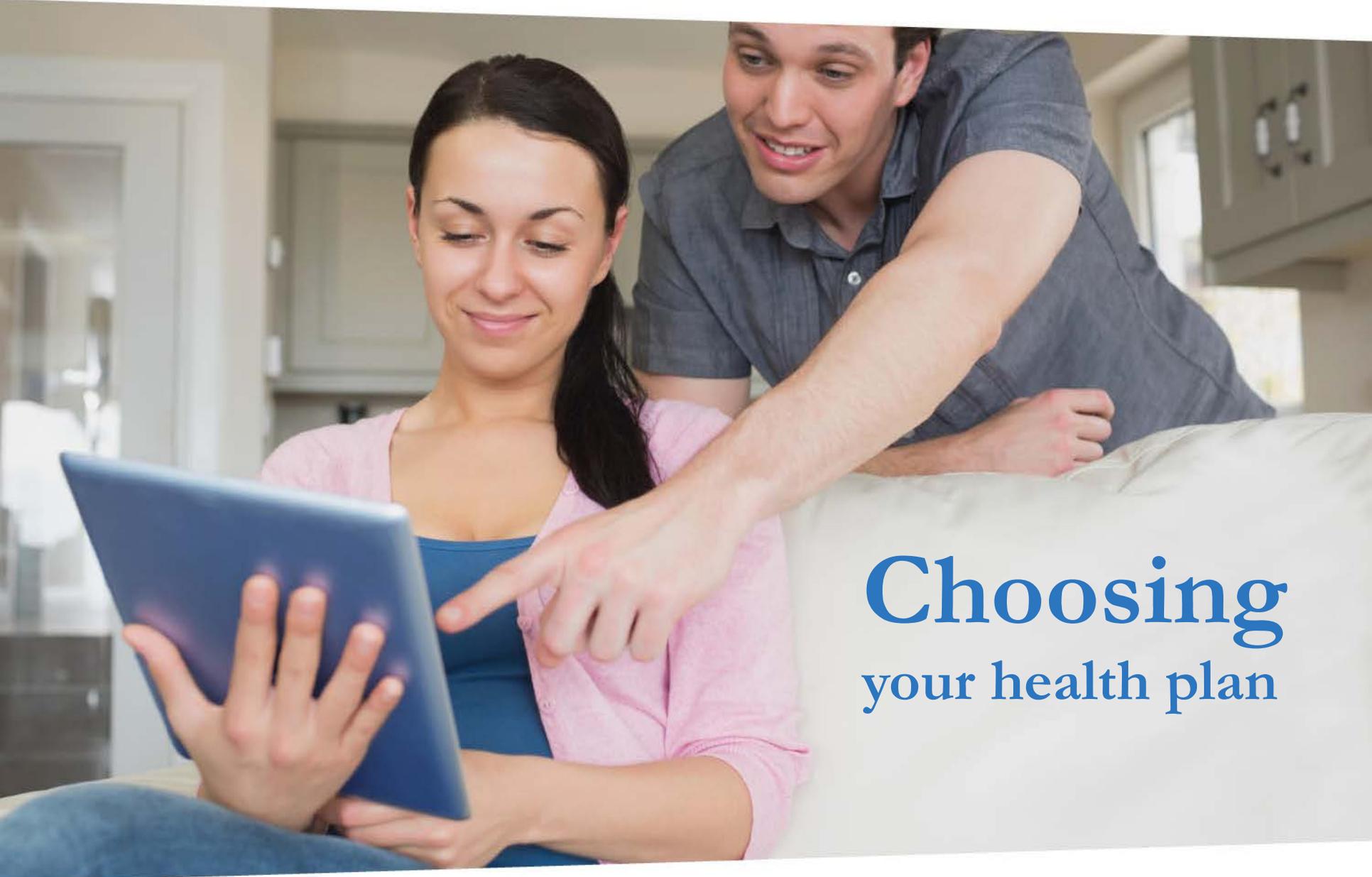
## What's new for 2016-2017

Nothing is changing for 2016-17. The City of Salem & Salem City Schools will continue the medical coverage with Anthem effective October 1.

Salem will be offering the same 3 medical plans:

- KeyCare 30 PPO Core Plan
- KeyCare 20 PPO Buy-up Plan
- HDHP with Health Savings Account (HSA) Buy-down Plan





# Choosing your health plan

# It's good to have options

Your health care needs are unique. That's why you have a choice of health plans that vary by premium, deductible and coinsurance so you can find the fit that's just right.

## All plans include:

- Access to one of the nation's largest networks of doctors via our Anthem BlueCard PPO (KeyCare) network
- Prescription drug coverage with money-saving mail service
- No in-network cost share preventive care, like annual checkups and vaccinations
- Health and wellness tools that help you get the most out of your plan



## KeyCare 20 and 30 PPO Plans



### Copay

A flat fee you pay for covered services like doctor visits



### Deductible

The amount that you pay each year before your plan starts to pay



### Coinsurance

your share of the health plan costs (a percentage of total cost) after meeting your deductible



### Out-of-pocket maximum

The most you will have to pay out-of-pocket each year for health care services.

## HDHP with HSA



### Deductible

The amount that you pay each year before your plan starts to pay



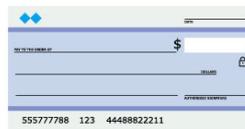
### Coinsurance

your share of health plan costs (a percentage of total cost) after meeting your deductible



### Out-of-pocket maximum

The most you will have to pay out-of-pocket each year for health care services.



### Premium

The amount you pay to belong to a health plan

## **Calendar Year Deductible:**

- The deductible is the \$ amount that you pay each year before your plan starts to pay.
- It runs from January 1- December 31 annually (calendar year)
- Family Deductible is 2x the individual deductible.
- Once any family member reaches the individual calendar year Deductible, that family member's future expenses will be eligible for traditional health coverage for the remainder of the calendar year.

## **As you will see on the next page:**

- The KeyCare 20 PPO (Buy-up Plan) does not have an In-network Deductible.
- The KeyCare 30 PPO (Core Plan) and the HDHP (Buy-Down Plan) include Deductibles.

# Medical Plan Comparison

Medical Plan*		KeyCare 30 PPO Core plan	KeyCare 20 PPO Buy up plan	HDHP-HSA Buy down plan
If you change from PPO to HDHP, or HDHP to PPO, you forfeit deductible, copay, coinsurance out of pocket amounts.		In-Network	In-Network	In-Network
Calendar Year Deductible	Individual	\$2,000	\$0	\$3,000
	Family	\$4,000	\$0	\$6,000
Office Visits	Primary Care	\$30	\$30	0%, after ded
	Specialist	\$50	\$50	0%, after ded
Your percentage of the costs (for things such as Non-Preventive Lab and Xrays)		20%, after ded	20%	0%, after ded
Calendar Year Maximum Out of Pocket	Individual	\$5,000	\$5,000	\$4,000
	Family	\$10,000	\$10,000	\$8,000
Prescription Drugs (NEW - At a retail pharmacy, receive up to a 90 day supply of maintenance drugs for 3x 30 day copay)	Retail - up to a 30 day supply	\$15/\$40/\$75/20% up to \$200/script		After ded, \$10/\$30/\$50/20% up to \$200/script
	Home delivery - up to a 90 day supply	\$38/\$100/\$188/n/a		After ded, \$25/\$75/\$225/n/a
*All plans include Out of Network benefits - please refer to the Anthem Enrollment Guide for additional information.				

# What You'll Pay

	KeyCare 30 PPO Core plan	KeyCare 20 PPO Buy up plan	HDHP-HSA Buy down plan
	In-Network	In-Network	In-Network
Preventive care	0%	\$0	\$0
Primary Care Provider Office visit	\$30/visit	\$30/visit	0%, after deductible
Specialist Office visit	\$50/visit	\$50/visit	0%, after deductible
Urgent care - in Dr. office or Urgent Care Center (UCC)	\$30/PCP visit \$50 /Spec or UCC visit	\$30/PCP visit \$50 /Spec or UCC visit	0%, after deductible
LiveHealthOnline Sick visit	\$30/visit	\$30/visit	0%, after deductible (\$49 allowable)
Non-Preventive Care Lab and X-ray services (In provider office or facility)	20%, after deductible	20%, after deductible	0%, after deductible
Emergency room	20%, after deductible	20%, after deductible	0%, after deductible
*All plans include Out of Network benefits - please refer to the Anthem Enrollment Guide for additional information.			

Getting care at the right place can save you money.  
Knowing what type of care you may need can help you pick a plan.

## Keycare 20 cost example

- Specialist Doctor Office Visit (\$150) with Lab Services (\$500):
  - \$50 for Specialist Office Visit (flat copay) PLUS
  - 20% Coinsurance of \$500 for Lab Services = \$100
  - \$50 (Visit) + \$100 (Lab Services) = **\$150 TOTAL MEMBER PAY**

## Keycare 30 cost example

- Specialist Doctor Office Visit (\$150) with Lab Services (\$500):
  - \$50 for Specialist Office Visit (flat copay) PLUS
  - \$500 for Lab Services = \$500 applied to deductible
  - \$50 (Visit) + \$500 (Lab Services) = **\$550 TOTAL MEMBER PAY**
  - Member has \$1,500 remaining of their \$2,000 deductible to meet.

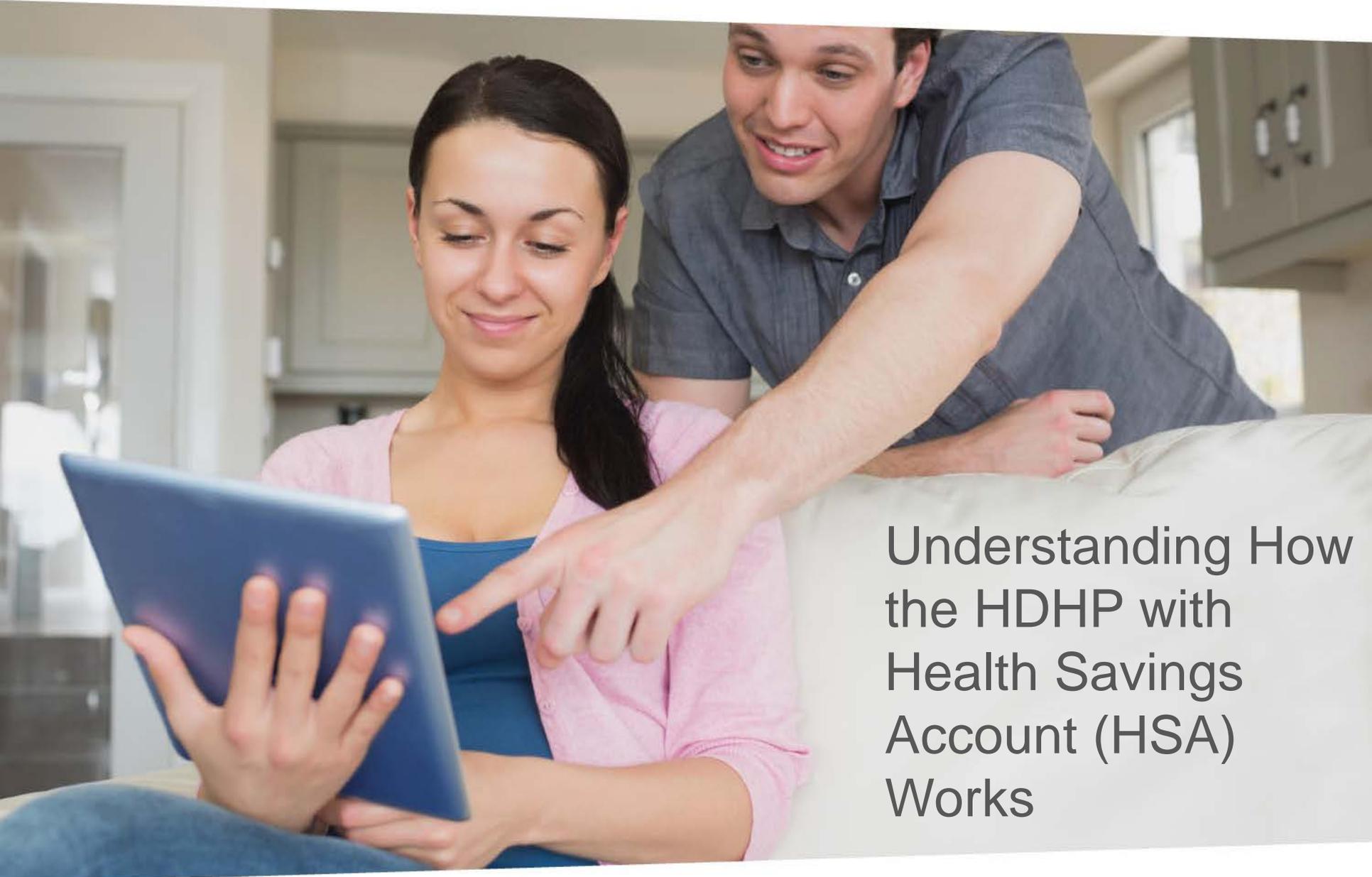
## HDHP-HSA cost example

### HDHP: Scenario #1 (Member has met \$3,000 CY Deductible)

- Specialist Doctor Office Visit (\$150) with Lab Services (\$500):
  - \$0 for office visit PLUS
  - \$0 for deductible or coinsurance
  - \$0 (Visit) + \$0 (Lab Services) = **\$0 TOTAL MEMBER PAY**

### HDHP: Scenario #2 (Member has not met \$3,000 C Deductible)

- Specialist Doctor Office Visit (\$150) with Lab Services (\$500):
  - \$150 for office visit PLUS
  - \$500 towards deductible for Lab Services
  - \$150 (Visit) + \$500 (Lab Services) = **\$550 TOTAL MEMBER PAY**
- Member has \$2,450 remaining of their \$3,000 deductible to meet.



Understanding How  
the HDHP with  
Health Savings  
Account (HSA)  
Works

# Understanding the High Deductible Health Plan (HDHP)

Health care costs continue to rise at a higher rate than previous years. High Deductible Health Plans (HDHPs) aim to manage health care cost by promoting healthier behaviors and encouraging informed consumer decision making.

81% of employers nationally now offer some sort of HDHP account based plan.\*

Salem City and School's HDHP is a consumer driven health plan which:

- Contains medical cost benefits
- Empowers employees to make informed health care choices
- Encourages employees to be more aware of quality and cost of care
- Motivates employees to use health care resources wisely

*\*Source: National Business Group on Health, Large Employers' 2015 Health Plan Design Changes, August 2014.*

# Advantages of the HDHP with the Health Savings Account (HSA)

- The HSA offers valuable savings on federal and state taxes\*
- HSA contribution maximums are higher than Health FSAs
- HDHP premiums are lower to maximize savings
- The HSA can allow you to save for the future
- The HDHP encourages management of health care costs
- Keep the HSA funds, if you don't use them, you keep them
- Pay for services not covered under medical plan with your HSA funds
- Invest the HSA funds
- Spend beyond HDHP coverage
- Continue to use the HSA funds (if any) after age 65

*\*Free from state tax in most states*

# How the Health Savings Account (HSA) Works



## Health Savings Account (HSA)

- Your employer and you can put money into your HSA, pre-tax, to help pay for your covered medical expenses, like office visits, lab work and tests.
- HSA funds are accessed via the plan-provided debit card or online bill pay.
- Unused HSA funds roll over from year to year.

## Annual Deductible

- You are responsible for paying an annual deductible before the plan begins to pay a percentage of your covered expenses.
- You can use the money in your HSA to help meet your deductible.

## Major Medical Coverage (coinsurance)

- After you meet your annual deductible, you pay a percentage of the cost of your covered expenses, called coinsurance.
- If you still have money in your HSA after you've met your annual deductible, you can use the funds to pay your share of coinsurance.
- Once you reach your annual out-of-pocket maximum, the plan pays 100 percent of any of your remaining covered expenses for the rest of the year.

# What is a Health Savings Account (HSA)

- Health Savings Accounts (HSA) are tax-advantaged interest bearing checking accounts
- The HSA money can be used to help pay the cost of out-of-pocket medical and prescription drug expenses or for long term investment purposes
- HSAs must be coupled with an HSA-compatible high deductible health plan (HDHP) in order to make contributions to the account

HDHP with HSA is considered an HSA compatible high deductible health plan.

To learn more about HSA's and compatible HDHP's, please refer to IRS publication 969

# Who can open an HSA?

The IRS and the U.S. Department of the Treasury have specific rules on who can open an HSA.

Employees can open an HSA if they:

- Are not enrolled in Medicare
- Are enrolled in an HDHP with HSA plan, because it includes an HSA-compatible health plan
- Are not covered under any other health plan (including a spouse employer plan) that is not an HSA-compatible health plan, i.e., PPO, HMO, or health FSA
- Are not claimed as a dependent on another individual's tax return
- Are not active military

Note: The rules and regulations apply to the account holder only. If you do not qualify to open an HSA account please refer to IRS publication 969 for more information or contact their financial advisor.

# HSA Contribution Limits

IRS 2016 & 2017		
	Single Plan	Family Plan
2016 Maximum Contribution	\$3,350	\$6,750
2017 Maximum Contribution	\$3,400	\$6,750

You can make catch-up contributions if you are 55 years of age or older (\$1,000 for 2016 and 2017).

# HSA Eligibility for Married Couples

Their spouse:	They:	Then, per the IRS:
Has PPO self + children coverage	Have HDHP self-only coverage	They are treated as having single coverage and only the employee may set-up an HSA . They may contribute up to \$3,350
Has HDHP self-only coverage with a \$1,500 deductible	Have HDHP self + child coverage with a \$3,000 deductible	They are both treated as having family coverage, and combined may contribute up to \$6,750 to an HSA
Has HDHP self + family coverage with a \$3,000 deductible	Have HDHP self + spouse coverage with a \$3,000 deductible	They are both treated as having family coverage, and combined may contribute up to \$6,750 to an HSA
Has HDHP self-only coverage with a \$1,000 deductible	Have PPO self + family with a \$500 deductible	Neither of them may set-up an HSA
Is enrolled in Medicare	Have HDHP self + family coverage only	Only the employee may set up an HSA. They may contribute up to \$6,750

The HSA funds can be used for qualified medical, dental and vision expenses incurred by the following persons:

1. You and your legal spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your tax return except that:
  - The person filed a joint return,
  - The person had gross income of \$3,900 or more, or
  - You, or your spouse if filing jointly, could be claimed as a dependent on someone else's tax return.

Spouses must be viewed as your dependent under the federal tax laws, otherwise you cannot withdraw funds tax-free to pay for their qualified health care expenses. Any non-qualified dependents that you cover on your medical plan can open their own HSA to cover their out-of-pocket expenses.

You should consult with your personal tax advisor to assess the application of these rules to your personal tax situation or visit [irs.gov](https://www.irs.gov) for the definition of a qualified dependent.

# HDHP with HSA Plan

	HDHP with HSA Plan	Single Coverage	Family Coverage
<b>Preventive Care</b>	Nationally recommended services due to Health Care Reform Mandate	No cost with in network provider, no deduction from HSA with in-network providers	
<b>HSA</b>	<p><b>Employer's HSA contribution*</b></p> <p><b>Employees contribution (optional)**</b></p> <p><b>Annual HSA contribution maximum</b></p>	<p>\$800</p> <p><u>\$2,550</u></p> <p>\$3,350</p>	<p>\$1,200</p> <p><u>\$5,550</u></p> <p>\$6,750</p>
<b>Traditional Health Coverage</b>	<p><b>Annual Calendar Year Deductible</b></p> <p>Employees can use the funds from their Health Savings Account to help satisfy their annual deductible</p>	<p>In-Network \$3,000</p> <p>Non-Network \$3,000</p>	<p>In-Network \$6,000</p> <p>Non-Network \$6,000</p>
	Then, they pay coinsurance for covered services	<p>0% for In-Network Services</p> <p>20% for Non-Network Services</p>	
	Plan pays 100% after calendar year annual out-of-pocket maximum (includes annual deductible, and RX copays and coinsurance)	<p>In-Network \$4,000</p> <p>Non-Network \$6,000</p>	<p>In-Network \$8,000</p> <p>Non-Network \$12,000</p>

RX is subject to deductible and then applicable copay/coinsurance.

\*Employer one-time contribution is made in lump sum after 10/1 for employees enrolling in the HDHP for the first time.

\*\*The total annual amount employees elect to contribute to their HSA will be broken out over all pay periods.

# HSA Plan Example

## Carol's HSA plan

\$3,350 annual contribution

Expenses		HSA balance
Ob/GYN visit and lab tests	<b>No cost share</b>	\$3,350
Prescription drugs	\$100	\$3,250
<b>HSA ROLLOVER TO NEXT YEAR</b>		<b>\$3,250</b>

# HSA Plan Example

## The Wilson family's HSA plan \$2,200 annual contribution

Expenses		HSA balance
Preventive visits and lab tests	<b>No cost share</b>	\$2,200
Physical therapy	\$800	\$1,400
Prescription drugs	\$200	\$1,200
<b>HSA ROLLOVER TO NEXT YEAR</b>		<b>\$1,200</b>

# Using Your HDHP with HSA Plan to Get Care - Medical



**Anthem**

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John Q. Member  
 Identification Number  
**HSAMEMBER ID**

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Group:	GROUPNUMBER	Co-payment	\$0
Plan Code:	330		
BIN:	610575		

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Products: Medical/Rx

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**Anthem**

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anthem.com

Member Services	1-800-890-8000
24/7 NurseLine	1-800-890-8000
Coverage While Traveling	1-800-810-2503
Provider Services	1-800-676-2503
Pharmacy Provider Services	1-800-291-4800

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Please submit claims to local Blue plan. If Medicare is primary, please file claims with Medicare. If a provider does not submit your claim on your behalf, please file claim to: Anthem Blue Cross and Blue Shield, P.O. Box 37010, Louisville, KY 40233-7010

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Anthem Blue Cross and Blue Shield, an independent licensee of the Blue Cross and Blue Shield Association, provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims. Anthem Blue Cross and Blue Shield is the trade name of Commercial Insurance Company.

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Possession of this card does not guarantee eligibility for benefits.

# Using Your HDHP with HSA Plan to Get Care – Pharmacy

When you visit a pharmacy:

- Show your ID card at the pharmacy.
- Until you have satisfied your annual deductible you will pay the full discounted cost of your prescription drug.
- If you have funds in your HSA you can pay for your prescription using your debit card.
- If you do not have funds in your HSA account, you will need to pay from your personal funds.
- Once you have funds in your HSA, you may use your account to pay yourself back.
- Once you satisfy your deductible, the Traditional Health Coverage begins and you pay the applicable Rx copay/coinsurance until you reach the out-of-pocket maximum.

# HSA Eligible Expenses

## Use an HSA to pay for all kinds of care



Medical



Prescriptions



Vision



Dental



LiveHealth Online

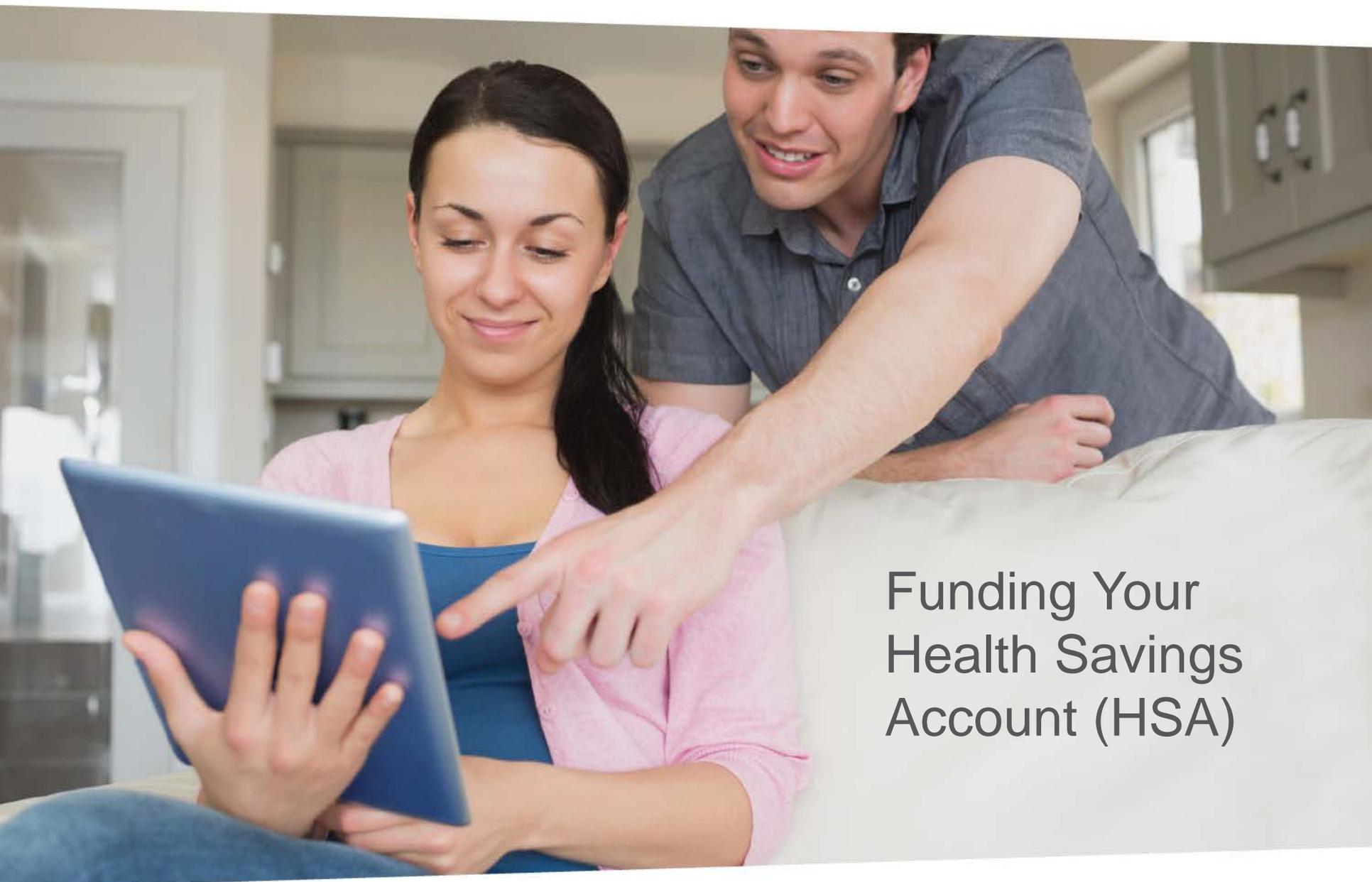
The HSA can be used to pay for out-of-pocket qualified medical expenses tax free — even if they're not covered by the HDHP. This includes expenses for you, your spouse and any dependents you claim on your tax return. There are hundreds of qualified medical expenses, including those shown above.

All of these expenses and more can be paid for with the HSA, free from federal income tax or state income tax (for most states). To see a detailed list of qualified medical expenses, refer to *IRS Publication 502: Medical and Dental Expenses* at [www.irs.gov](http://www.irs.gov).

### Who's covered by your HSA?

If you can claim someone on your tax return, you can use an HSA for that person.



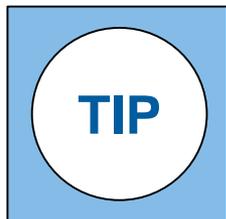


## Funding Your Health Savings Account (HSA)

# Making Contributions to Your HSA

- There are several ways you can contribute to your account:
  - Tax-free through payroll deductions. (You can change your contribution amount throughout the year.)
  - Post-tax by electronic transfer (EFT)
    - When you file your taxes, you can make an adjustment to your gross income to receive the tax benefit
    - You can transfer money from any bank account to your HSA
  - Anyone may contribute to your HSA, provided the total contributions to your HSA do not exceed the maximum allowable annual limit for 2016.
    - \$3,350 for individual coverage
    - \$6,750 for family coverage
  - You can make catch-up contributions if you are 55 years of age or older (\$1,000 for 2016).

# Contributing Up To The IRS Limit for 2016



*If you have family HDHP coverage on the first day of the last month of the tax year, the contribution limit for 2016 is \$6,750 even if you changed coverage during the year.*

**Last-month rule** - Under the last-month rule, if you are an eligible individual on the first day of the last month of the tax year (December 1 for most taxpayers), you are considered an eligible individual for the entire year. You are treated as having the same HDHP coverage for the entire year that you had on the first day of that last month.

**Testing Period** – Under the Testing Period rule, eligible individual(s) must keep the HDHP for 12 months of the following tax year, or incur income tax **plus** a 20% penalty.

**Example** - Chris, age 53, becomes an eligible individual on December 1, 2016. He has family HDHP coverage on that date. Under the **last-month rule**, he contributes \$6,750 to his HSA. Chris fails to be an eligible individual in June 2018. Because Chris did not remain an eligible individual during the **testing period** (December 1, 2016 through December 31, 2018), he must include in his 2018 income the contributions made in 2016 *that would not have been made except for the last-month rule* (\$6,187.50). Total for all months = the limit of \$6,750.00. Divide the total by 12. So, \$562.50 was the maximum Chris could deposit in 2016.

## Regularly Manage Your HSA to Ensure accuracy of the Account

1. Manage the account as you would your personal checking account.
2. Review your HSA regularly to ensure account status/balance is accurate.
3. Audit transaction history to ensure accuracy.
4. Keep a copy of your receipts – receipts are required should you ever get audited by the IRS. The HSA administrator never needs copies of your receipts.





You are now connected to Dr. Mark

LiveHealth<sup>®</sup>  
ONLINE

## LiveHealth Online

See a doctor or therapist at home

- Have a private video visit with a doctor or therapist on your smartphone, tablet or computer with a webcam.
- Choose from board-certified doctors and licensed therapists.
- You can be at home or even on vacation.
- Sign up at [livehealthonline.com](https://livehealthonline.com) or download the app.

# Prescription drug plan

Anthem's pharmacy program includes 64,000 pharmacies across the country, plus an easy home delivery option.



## Save money

- Ask your doctor if there's a generic equivalent for the brand-name medications you've been taking.
- Get a 90-day supply of maintenance drugs via mail for less money than if you'd purchased your medication at a pharmacy.
- NEW! Up to a 90 day retail maintenance supply benefit



## Save time

- Refill your prescriptions online or over the phone.
- Take advantage of home delivery.

## 24/7 NurseLine

- Receive instant health care information
- Consult with registered nurses
- Available by phone 24 hours a day, toll-free



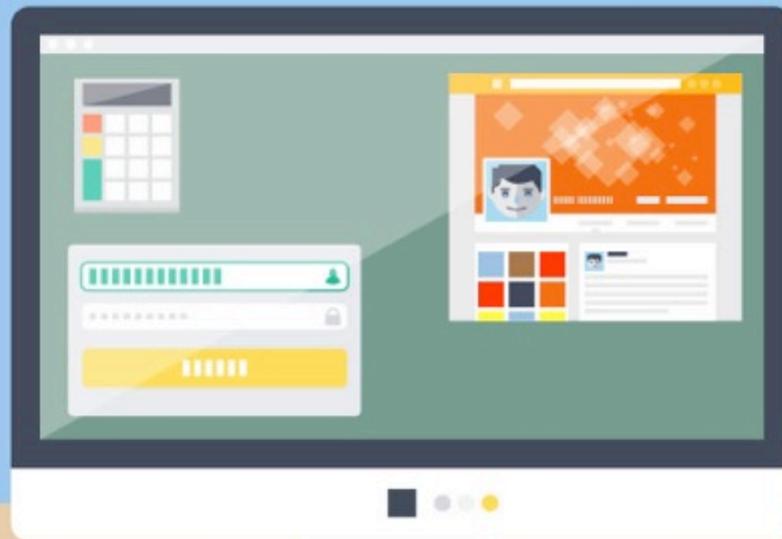
# Making it easy.

## GUIDED DECISION MAKING

Customer service designed to help members find and use the best—not the most expensive—care

## CONSUMER WEBSITE

Secure access to personalized health care information



## SOCIAL MEDIA

Targeted health content for users of all ages and abilities

## TRANSPARENCY TOOLS

Access to cost and quality information to power better decision making

## MOBILE HEALTH SOLUTIONS

Apps and websites created with mobile technology in mind

# Tools to help you choose

## Open Enrollment Guide

Read this guide to help compare your plan options

## Find a Doctor

Search for information about doctors in your area

## Interactive Videos

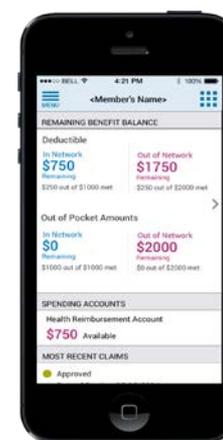
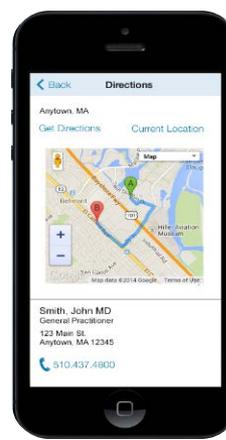
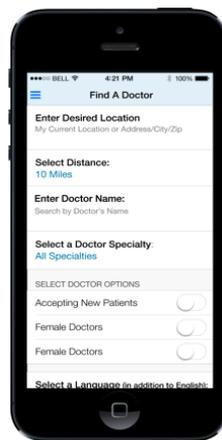
Learn more about your health plan and how to effectively use it



# Mobile Health Features

Provide members with convenient access to their health care information, putting them in control and encouraging them to be engaged, informed health care consumers.

- PROVIDER SEARCH & PATIENT RATINGS / REVIEWS 
- ID CARD 
- CLAIMS 
- ELIGIBILITY & MEDICAL BENEFITS 
- ESTIMATE the COSTS 



# Tips and tools



**Unless it is a true emergency, go to urgent care centers, retail health clinics instead of emergency rooms**

Save with lower costs at Urgent Care versus higher cost at the ER

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**Use LiveHealth Online**

Save for minor conditions whenever possible

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**Use in-network doctors**

Save with a lower deductible and coinsurance

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**Pre-certify hospital services**

Call to pre-certify plan services

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**Use the “Estimate the Cost” tool through Anthem.com**

Find cost ranges for services and quality reviews for doctors

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**Save money**

Get discounts on health-related products and services



# Enrolling

in your health plan

Open Enrollment





# We're here when you need us

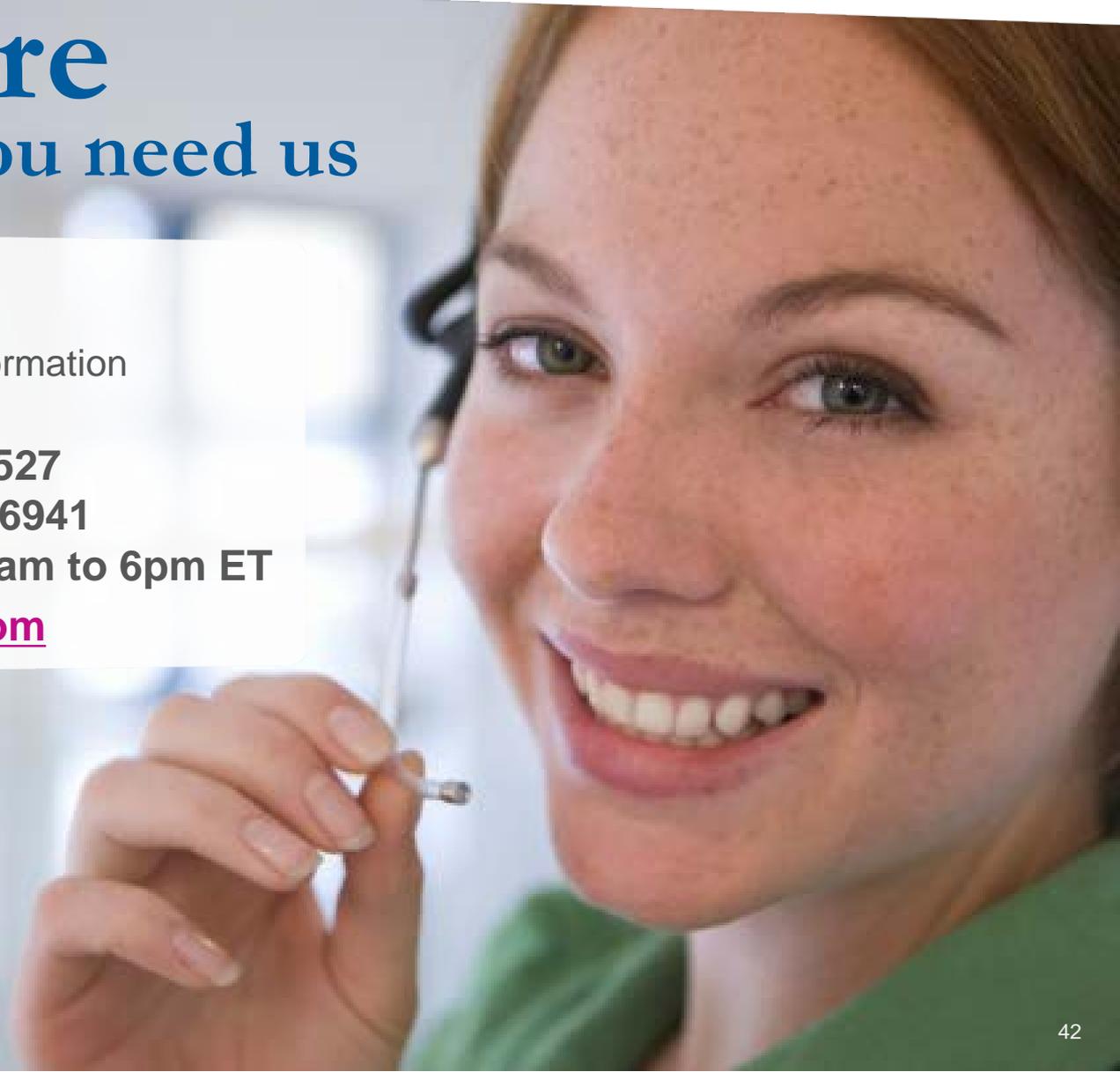
Once you're enrolled  
Get answers and information  
24/7 online.

**PPO: 1-800-451-1527**

**HDHP: 1-800-582-6941**

**Monday- Friday 8am to 6pm ET**

or visit [anthem.com](https://www.anthem.com)





Connecting **you**  
to better health

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