

State Health Benefit Plan (SHBP) Benefit Comparison for HRA, HDHP and HMO

Presentation to
Members of the State Health Benefit Plan



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

DCH Mission

ACCESS



Access
to affordable,
quality health
care in our
communities

RESPONSIBLE



Responsible
health planning
and use of
health care
resources

HEALTHY



Healthy
behaviors and
improved
health
outcomes

DCH Initiatives FY 2011

FY 2011

**Continuity of Operations
Preparedness**

Customer Service

Emergency Preparedness

Financial & Program Integrity

Health Care Consumerism

Health Improvement

Health Care Transformation

Public Health

Workforce Development



State Health Benefit Plan (SHBP) Options

Cigna and UnitedHealthcare offer three SHBP options:

- Health Reimbursement Arrangement (HRA)
- High Deductible Health Plan (HDHP)
- Health Maintenance Organization (HMO)



Health Reimbursement Arrangement (HRA)

- Consumer Driven Health Plan (CDHP)
 - in and out-of-network benefits
 - SHBP funded credits for medical and pharmacy expenses
 - member is responsible after credits are exhausted



Health Reimbursement Arrangement (HRA)

After the deductible is met:

- the member pays a percentage of charges
 - 15% for generic drugs and medical services
 - 25% for brand name drugs from in-network providers or
 - 40% for out-of-network services



HRA Considerations

- HRA credits reduce the deductible and out-of-pocket limit
- No co-payments associated with HRA
- Approved preventive care services paid at 100% when seeing participating providers and do not reduce HRA credits



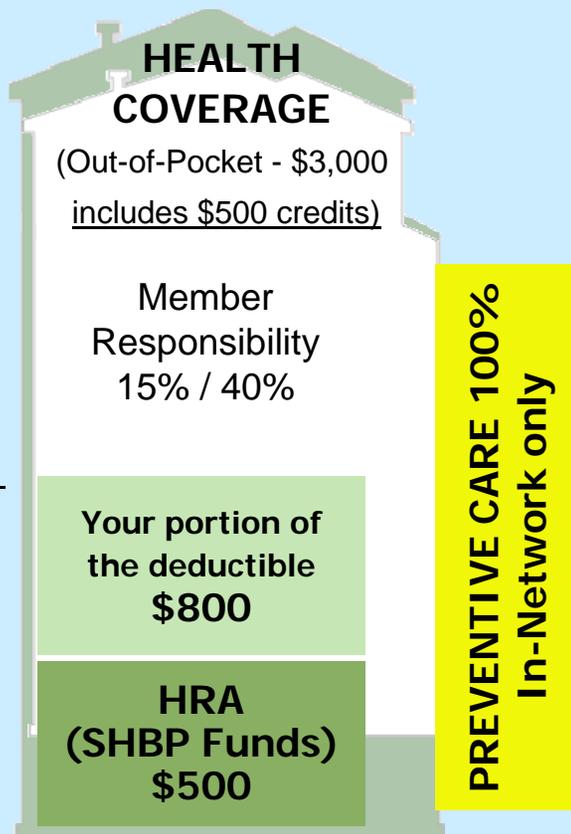
HRA Considerations

- SHBP funds the HRA with dollar credits each year
- Unused HRA credits carry over into the next plan year if you continue coverage in the HRA



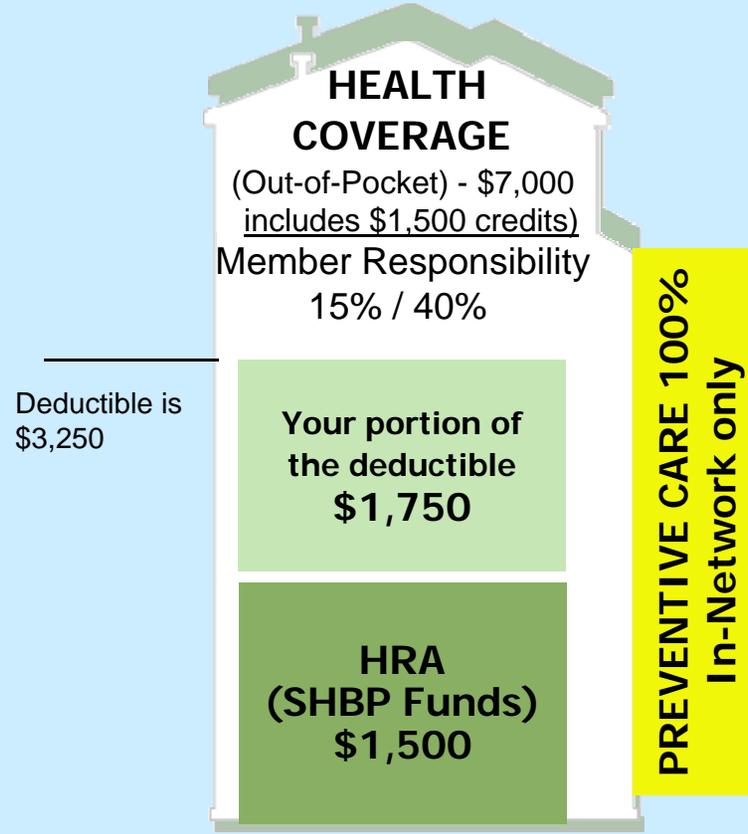
How the HRA Works

You Only



Deductible is \$1,300

You + Family



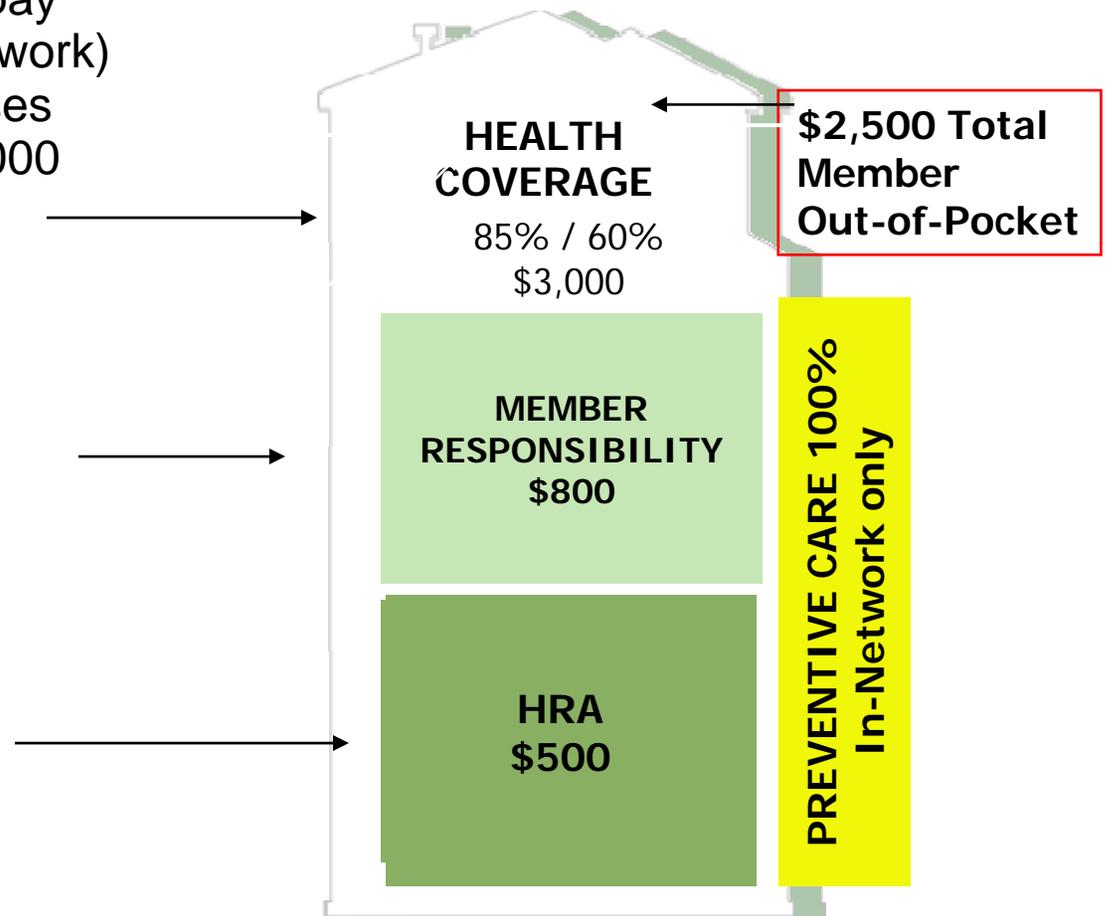
Deductible is \$3,250

How the HRA Works (You)

- After the deductible is met, you pay 15% of the negotiated rate (in-network) for medical and pharmacy expenses until the out-of-pocket is met (\$3,000 less \$500 HRA credits)

- Once you exhaust the HRA credits you pay for medical and/or pharmacy expenses until the deductible is met (\$1,300 less \$500 HRA credits)

- You use these credits to cover your first medical and pharmacy expenses in the year. Eligible preventive services do not reduce your HRA credits



High Deductible Health Plan (HDHP)

- Consumer Driven Health Plan
 - In-network and out-of-network benefits
 - Separate in and out-of-network deductibles and out-of-pocket limits
 - Low monthly premiums but a higher deductible
 - The entire deductible must be met before benefits are paid except for preventive care



High Deductible Health Plan (HDHP)

- Once the deductible is met the member pays
 - 10% of the negotiated charge for physicians and medical services
 - 20% (\$10 min and \$100 max) for pharmacy charges when using in-network providers



HDHP Considerations

- You may be eligible to enroll in a Health Savings Account (HSA)
- Any dollars you have contributed to a HSA belong to you and you can take with you should your employment end
- These dollars can be used in the future for medical expenses

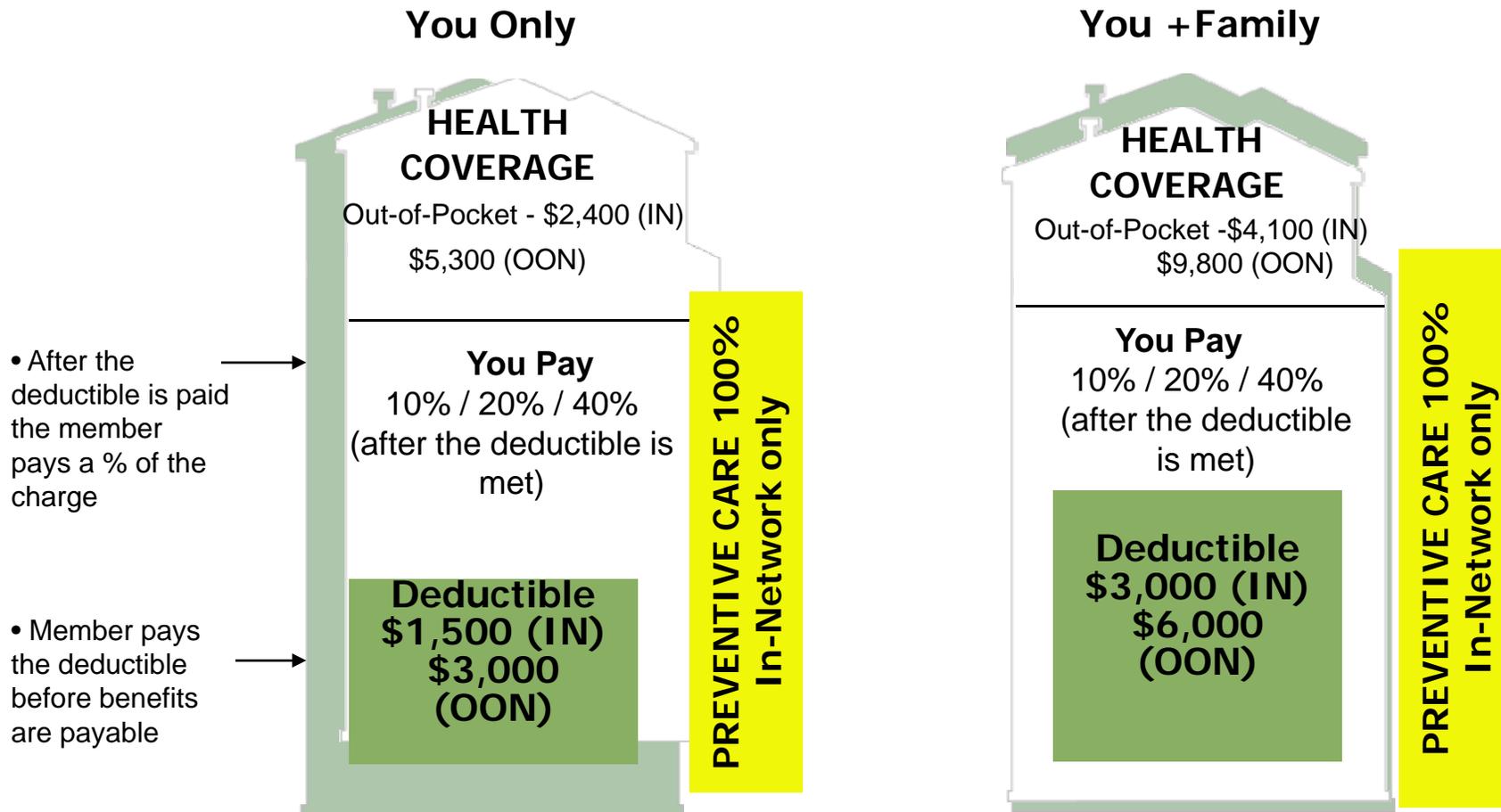


HDHP Considerations

- There is no coverage for out-of-network pharmacy
- The HDHP is not considered creditable coverage for your prescription drug coverage. If you delay Medicare Part D enrollment for any reason, including continuing to work past age 65, you may be charged a Late Enrollment Penalty (LEP) by Medicare



How the HDHP Works



Health Maintenance Organization (HMO)

- SHBP HMO members receive services from participating providers statewide, and nationwide
- Set co-payments for physician services and prescription drugs
- Out-patient lab and x-rays are subject to deductibles and co-insurance
- Except for emergencies you must receive services from an in-network provider
- Co-payments do not apply toward the deductible or out-of-pocket limits

HMO Co-Payments

Office Visit	\$35 – PCP \$45 – Specialist
Prescription Drugs	
Tier 1 – Generic	\$20
Tier 2 – Preferred Brand	\$50
Tier 3 – Non-Preferred Brand	\$90

Other Points to Consider

- **HRA** – Unused HRA credits will roll over into the next plan year as long as you are enrolled in the SHBP HRA
- **HDHP** – No benefits will be paid until the entire deductible is met
- **HMO** – Co-payments do not apply to your deductible or out of pocket



Benefits Comparison Chart

	HRA	HDHP	HMO
Deductible			
You	\$1,300	\$1,500/\$3,000	\$1,000
You + Spouse	\$2,250	\$3,000/\$6,000	\$1,500
You + Child(ren)	\$2,250	\$3,000/\$6,000	\$1,500
You + Family	\$3,250	\$3,000/\$6,000	\$2,000
Out-of-Pocket			
You	\$3,000	\$12,400/\$5,300	\$3,000 + co-pays
You + Spouse	\$5,000	\$4,100/\$9,800	\$4,500 + co-pays
You + Child(ren)	\$5,000	\$4,100/\$9,800	\$4,500 + co-pays
You + Family	\$7,000	\$4,100/\$9,800	\$6,000 + co-pays

Benefits Comparison Chart

	HRA	HDHP	HMO
HRA Dollars			
You	\$500	N/A	N/A
You + Spouse and You + Child(ren)	\$1,000	N/A	N/A
You + Family	\$1,500	N/A	N/A
Office Visit Hospitalization Lab	IN - 85% coverage; subject to deductible, ON – 60% coverage; subject to deductible	IN - 90% coverage; subject to deductible, ON – 60% coverage; subject to deductible	\$35 PCP, \$45 specialist, 80% coverage; subject to deductible – hospitalization and lab

Benefits Comparison Chart

Pharmacy – You Pay	HRA	HDHP	HMO
Tier 1	IN - 15% generic; 40% brand; subject to deductible; ON – 40% generic; 40% brand; subject to deductible	IN - 20% coverage; subject to deductible, \$10 min./\$100 max. ON – no coverage	\$20
Tier 2	N/A	IN - 20% coverage; subject to deductible, \$10 min./\$100 max. ON – no coverage	\$50
Tier 3	N/A	IN - 20% coverage; subject to deductible, \$10 min./\$100 max.	\$90
Tier 4	N/A	20% coverage; subject to deductible, \$10 min./\$100 max., ON – no coverage	Not applicable

For Additional Plan Information

CIGNA

www.mycigna.com/shbp

UnitedHealthcare

www.welcometouhc.com/shbp

SHBP

www.dch.georgia.gov/shbp

