



# 2012 Open Enrollment

## Frequently Asked Questions – Consumer-driven Health Plan (CDHP)

### 1. What is CDHP?

CDHP is a consumer driven health plan. It is a health plan that gives you more purchasing power. If you are enrolled in it, you can tap into your medical funds to help pay for services that are covered under your plan (in- or out-of-network). You pay nothing for covered services until you use up all the funds. You can maximize your funds by seeking the most cost-effective care. By utilizing the care of participating providers, you are able to reap the benefit of negotiated rates.

### 2. What are the advantages?

It gives you the flexibility on how you spend your health care medical funds.

#### Plan Features

- Low premiums
- 100% coverage for in-network preventive care that does not reduce your HSA fund balance
- Unused HSA medical funds roll over from year to year until you use them
- The interest or other earnings on the assets in the account are tax free
- Distributions to pay for qualified medical expenses are tax free
- Your choice of providers in and out-of-network for covered services
- Nationwide coverage
- Medical plan coverage of 85% for in-network and 60% for out-of-network after the annual deductible has been met
- An annual cap that limits your total out-of-pocket expense for the year

### 3. How does the plan work?

The plan has several components to provide coverage:

- **Preventive Care** – Covered at 100% in-network (deductible waived).
- **HSA Medical Fund** – Your maximum annual contribution to your HSA (Health Savings Account) is \$3,100 for self and \$6,250 for self + 1 & family. Your medical fund pays for eligible in- and out-of-network medical expenses up to your fund balance. You can seek medical care from any medical or hospital provider. Unused medical fund roll over into the following year and go with the member if they change plans or jobs.
- **Medical and Prescription Drug Plan**
  - **Annual Deductible:** There is an annual deductible that you have to satisfy before your plan coverage begins. Your annual deductible is the following depending on your coverage: \$1,200/self only and \$2,400/self + 1 dependent & family for in-network and \$2,500/self only and \$5,000/self + 1 dependent & family for out-of-network. Your HSA Medical Fund can be used to reduce your Annual Deductible.
  - **Medical Coverage:** Once your annual deductible has been met, your medical coverage kicks in at 85% of the plan allowance for in-network and 40% of the plan allowance (plus any difference with the plan allowance and the billed amount) for out-of-network. It also includes an out-of-pocket maximum of \$6,050/self and \$12,100/family for in-network and \$6,050/self and \$12,100/family for out-of-network. Your plan will pay 100% after your maximum out-of-pocket has been satisfied.

*We're here to help if you have any questions.  
Please contact DCHR Benefits, Retirement and Staffing Services at (202) 442-7627.*

**4. Is the CDHP right for me?**

The CDHP could be the plan you want if you are looking for an affordable plan with nationwide coverage in- and out-of-network. Consider last year's medical expenses including your prescription medications. Factor in any expected changes to your medical expenses for the coming year. Compare the out-of-pocket cost (health plan premium, annual deductible, co-insurance etc.) for the CDHP and other health plans available to you. Be sure to take into consideration the medical funds you have built into the plan, since you do not pay for any out-of-pocket expense for covered services until your funds are exhausted.

**5. Are medical funds considered taxable income?**

No. These are benefits and not considered taxable income.

**6. Does each of my dependents have their own fund?**

No. All family members covered under your plan share the same medical fund and annual deductible except for domestic partners and dependents d adult in your health insurance who is no longer a dependent for tax purposes. Your domestic partner or dependent not claimed on your taxes will have to open their own HSA by completing an enrollment form and pay a \$3.00 monthly fee per account. Please note: You will be subject to a 20% penalty plus taxes if you use pre-tax dollars from your HSA to pay health expenses for your domestic partner or over-aged dependent (not dependent for tax purposes).

**7. If my HSA medical fund is not exhausted by the end of the year, can I take the balance in cash?**

The HSA funds left at the end of the year will roll over to the following year; however, for non-qualified withdrawals under the age of 65, it is taxable in addition to the 20% penalty.

**8. What happens to my medical fund balance if I leave the CDHP?**

The fund balance is portable and will remain in your account and will roll over from year to year until used even if you change employers or leave the work force.

**9. If I am enrolled in both the CDHP and Flexible Spending Healthcare Account, how would a covered service be paid?**

You will not be allowed to enroll in both plans.