



High Deductible Health Plan And Health Savings Account

High-Deductible Health Plan Option

In addition to being able to elect either Blue Cross Blue Shield of Kansas City’s (BCBSKC) Preferred-Care Blue EPO, Preferred-Care Blue PPO, or BlueSelect Plus PPO medical plan options, JCCC offers the Preferred-Care Blue BlueSaver High-Deductible Health Plan (HDHP) and BlueSelect Plus BlueSaver HDHP – Spira Care Plan option that comply with government regulations allowing you to open an associated Health Savings Account.

The current calendar year in-network deductible for these HDHP options is as follows:

Employee Only	\$2,800
Family (Employee + 1 or more)	\$5,600

Please note that there are only two (2) levels of deductibles. However, the family deductible can be satisfied by any combination of expenses from multiple family members—if three or more members are involved, each individual does not necessarily have to meet the \$2,800 individual deductible. Any family member reaching the \$2,800 annual deductible will receive 100% coverage for all remaining eligible in-network services.

The HDHP options cover preventive care at 100%. For services that are not considered preventive care, you must first satisfy the applicable deductible. Under the BCBSKC HDHP options, you have access to the same comprehensive network of hospitals, doctors and ancillary medical service providers available under the BCBSKC Preferred-Care Blue PPO & BlueSelect Plus PPO medical plan options. Like the PPO medical plan options, the HDHP pays benefits at a higher level, after you reach your applicable deductible, if you use a BCBSKC network provider:

Preferred-Care Blue HDHP	<u>Plan Pays</u>	<u>You Pay</u>
In-Network Services	100%	0%
Out-of-Network Services	80%	20%
BlueSelect Plus HDHP		
In-Network Services	100%	0%
Out-of-Network Services	70%	30%

Once your out-of-pocket costs (including the deductible) reach the maximums below, the applicable HDHP option will pay additional eligible charges at 100%.

	<u>Out-of-Pocket Maximum</u>	
	<u>Individual</u>	<u>Family</u>
Preferred-Care Blue HDHP		
In-Network	\$2,800	\$5,600
Out-of-Network	\$5,600	\$11,200
BlueSelect Plus HDHP		
In-Network	\$2,800	\$5,600
Out-of-Network	\$14,000	\$28,000

HDHP Advantages

- You have more ownership of health care decisions—except for preventive care, the “first dollars” you spend on health care are your own. You pay-as-you-go rather than pre-paying for care in advance.
- You have more choice and flexibility in health care decisions—you choose how to spend the money in your HSA.
- You get tax-free savings through an HSA to help you pay your out-of-pocket costs.
- You can invest your money in a broad selection of investment options tax-free at UMB Bank.
- You can save for future health care costs and have no “use-it-or-lose-it” penalty—you can roll over unused funds in your HSA from one year to the next and take the HSA with you when you retire/terminate.
- You have access to the same BCBSKC providers and network discounts as the other medical options.

Health Savings Account (HSA)

The HSA is a special account that you are eligible for when you elect to participate in a HDHP option. The purpose of the account is to accumulate funds to pay your out-of-pocket health care costs, such as your deductible and co-insurance charges.

The HSA is funded by you with pre-tax contributions—just like a Flexible Spending Account (FSA)—so you reduce your taxes by the amount of your contributions. If you have left over flex-credits, you may use them to fund your HSA. Payments/reimbursements from the HSA (including any related investment income/gains) aren’t taxable as long as they are used for health care related expenses.

The HSA is administered by UMB Bank. If you enroll in the HSA, you can contribute and invest tax-free dollars through convenient payroll deductions.

You can enroll in a HDHP option and not the HSA but you will lose out on the opportunity to accumulate tax-free funds for health care expenses. You can decide to not utilize the HSA offered by UMB and go to any other bank or financial institution that offers an HSA. However, JCCC has automated payroll deduction capability with UMB that allows you to make pre-tax deposits to your account. You will not be able to take advantage of this automated pre-tax payroll deduction if you open an HSA elsewhere.

The maximum amounts you can contribute to the HSA for the 2021 calendar year are:

Employee Only	\$3,600 (\$150.00 per pay period)
Family (Employee + 1 or more)	\$7,200 (\$300.00 per pay period)

PLEASE NOTE: If you are a Group 2 employee enrolled in the BlueSelect Plus HDHP, JCCC will contribute to the UMB HSA in the following annual amount, which will decrease the maximum voluntary amount you may contribute as shown above:

Employee Only	\$930 (\$38.75 per pay period)
Employee +1	\$1,704 (\$71 per pay period)
Family	\$2,340 (\$97.50 per pay period)

If you have reached your 55th birthday, are not enrolled in Medicare, and otherwise eligible, you can elect to make an additional catch-up contribution of \$1,000.00 (\$41.66 per pay period) to your HSA.

NOTE: Generally, you are not eligible for an HSA if you or your spouse participates in a Health Care Flexible Spending Account or are covered under another group medical plan other than a HDHP. You will not be able to elect to participate in the JCCC Health Care FSA if you enroll in a HDHP option. Once you are enrolled in Medicare (Part A, B, C, or D), you are no longer eligible to make contributions to an HSA.

HSA Advantages

Control

You decide:

- How much to contribute to your HSA (up to the maximum annual limit)
- Whether to save for future expenses or spend on current qualified expenses
- Which medical expenses to pay from your account
- How to invest your contributions

Portability

Your HSA is still your account even if you:

- Change jobs or become unemployed
- Change your medical coverage
- Move to another state
- Change your marital status

Tax Savings

Generally, contributions to an HSA, investment earnings, and distributions for qualified medical expenses are not subject to federal taxes.

Flexibility

Unlike flexible spending accounts, an HSA is not subject to the use-it-or-lose-it rule. Funds remain in your account from year to year. You may opt to save all or a portion of the money in your HSA to pay for future healthcare expenses.

Growth Potential

Because your contributions are invested, they have the potential to grow over time.

How the HSA Works

1. Sign up for the HDHP during your initial enrollment.
2. Decide how much you want to contribute and make your HSA election.
3. Set up the account with UMB Bank.
4. If you sign up for the UMB Bank HSA, you may utilize automatic pre-tax payroll deductions to fund your HSA each pay period. You can also make after-tax contributions by check.
5. Your money is held in a UMB Bank tiered interest-bearing FDIC-insured HSA Base Account through which deposits and withdrawals are made. After you have attained and maintain a balance of at least \$1,000 in your HSA Base Account you may choose to invest your excess funds in a variety of options. UMB will charge each employee with an HSA a small monthly administrative fee \$2.50. This fee is waived when the HSA balance is over \$3,000.
6. When you want to access your HSA funds, you can do so in several ways. You can pay a health care provider directly using an HSA debit card, or you can pay the provider yourself and request reimbursement from UMB.

Note: YOU must keep your own records of eligible healthcare expenses—you do not submit claims documentation to UMB Bank or BCBSKC.

Opening Your HSA

When you enroll in either of the JCCC medical plan HDHP options you will be given the opportunity to open an HSA with UMB Bank. Just follow the instructions.