

Five Colleges, Inc. Health Plan December, 2017 – November, 2018

*Health Reimbursement Account (HRA) and how it works with Deductibles in our **HMO** Plan*

Five Colleges **HMO** medical plan has a new deductible of \$1000 per individual and \$2000 per two-party and family. (The PPO plan's HRA is slightly different. **This memo refers to the HMO plan only.**) The attached sheet shows how these deductibles work.

To assist our employees and their family members, Five Colleges is implementing the Health Reimbursement Account (HRA) to cover the first \$500 of deductible costs for individuals and the first \$1000 of deductible costs for a two-party and family.

An HRA plan is similar to the Healthcare Flexible Savings Account (FSA) that we offer. However, an HRA uses employer-funded dollars while the FSA uses employee-funded dollars. Employees can use the HRA to apply to the first half of deductible costs. Employees can use the FSA funds to apply to the rest of the deductible and for those medical costs not included in the deductible (see the attached sheet to see what these are).

In addition, the Harvard Pilgrim HMO plan includes a medical out of pocket maximum of \$2,000 per individual and \$4,000 for two-party and family coverage. These maximums include all deductible dollars and copay dollars, including those paid by employees/dependents and the Five Colleges HRA.

HOW THE DEDUCTIBLE AND HRA WORK TOGETHER

**Your HRA pays DEDUCTIBLE expenses only: the first \$500 for individuals and first \$1,000 for family.
You must pay out of pocket and be reimbursed via HRA.**

1. Payments that go toward the Deductible, as paid, and \$0 cost after Deductible is reached:
 - a. Hospital inpatient and outpatient (medical and mental health/substance abuse)
 - b. Ambulance transport
 - c. Chemo and radiation
 - d. Dialysis
 - e. Home health care
 - f. Hospice
 - g. Medical drugs that cannot be self-administered (some may fall under RX benefit)
 - h. Outpatient psychological testing and neuropsychological assessment
 - i. Allergy shots

2. Payments that go toward the Deductible, as paid, and co-pays start after Deductible reached
 - a. Diagnostic tests - \$25 copay after deductible
 - b. High-tech imaging - \$200 copay after deductible
 - c. Rehabilitation and Habilitation services - \$25 copay after deductible. This includes cardiac rehab, speech therapy, PT and OT.

3. Payments that go toward the Deductible, as paid, and co-insurance (generally 20%) applies after Deductible is reached
 - a. Durable medical equipment
 - b. Hearing aids (up to age 22)
 - c. Ostomy supplies
 - d. Prosthetic devices

Your HRA does not pay anything towards these expenses below.

4. Payments that do not go towards Deductible and must be made every time
 - a. Office visit co-pays to PCP and Behavioral Health \$25 and Specialists \$40
 - b. RX (NOTE: Tier 5 is 20% coinsurance capped at a maximum of \$250 at retail and \$750 for mail order)
 - c. Emergency Room \$200

5. Payments for Prevention 100% covered by Plan
 - a. Annual physical
 - b. Annual prevention mammogram
 - c. Annual OB-GYN visit
 - d. Colonoscopy – as prevention
 - e. For others, see schedule of benefits