

FREQUENTLY ASKED QUESTIONS

What is a High Deductible Health Plan?

A High Deductible Health Plan (HDHP) is made up of two components. The first is the HDHP which is a medical plan with a comprehensive deductible that applies to health care expenses covered by the plan. Simply put, instead of paying co-pays, one would pay towards a deductible the cost of medical care. Once the deductible is satisfied, our plan provides that all medical expenses are covered 100%. The second component is the Health Savings Account (HSA). An HSA is a tax-advantaged savings vehicle for funding qualified health expenses. Contributions to an HSA are pre-tax and amounts withdrawn from the HSA are not taxed if used for qualified health expenses.

What are the deductible for single, employee plus spouse and family HDHP/HSA plans?

Individual Deductible \$2000; Employee plus Spouse and Family Deductible \$4000.

Will the Bridgeport Board of Education contribute money into the HSA account that employees can use towards the deductible?

Yes, the Board will contribute into an employee's HSA account \$1000 for individuals and \$2000 towards employee plus spouse and family plans.

When will the Board contribute money into the HSA account?

The Board will contribute half of its contribution on September 1 and half of its contribution on January 1.

After you reach the deductible amount, what are the costs for medical care?

After you reach the deductible you are covered 100%. There are no further out of pocket costs after you reach the deductible.

Who "owns" the funds in the HSA?

Any funds in the HSA, including money contributed by the employer, are owned by the employee.

Can the money contributed to the HSA account be "banked" year-to-year to fulfill the deductible and pay for future medical costs?

Yes, any money that accumulates during the plan year that is not used by the end of the term will rollover. This is not a "use it or lose it" account like flex spending accounts. Even the money contributed by the Board is yours and can rollover from year to year.

Can an employee put in more than their share of the deductible? If so, how much?

Employees can put in any amount they chose so long as the total combined (employee plus Board of Ed) contributions do not exceed the federal maximum deposit limits. Current maximum deposit limits are \$3300 per individual and \$6550 per family. Anyone over 55 can contribute an additional \$1000 as a “catch-up.”

Can the money be used in retirement to pay for medical bills, co-pays and Medicare supplement plans?

Yes. Distributions from the account remain tax free if they are used to pay for qualified medical expenses even after retirement.

Will the coverage be the same under the HDHP/HSA as it was under the PPO plan?

Yes, Cigna will still be the plan administrator and employees will enjoy the same coverage and the same network that they had under the PPO.

Is preventive care covered and at what cost?

Annual in-network preventive exams are covered 100% and are not subject to the deductible. These include annual physicals, screenings and some immunizations

The Board contributes half of the deductible towards the HSA, but how does one go about funding the other half of the deductible?

Employee contributions to their HSA account are tax advantaged. Contributions made via payroll deduction will be pre-tax. Contributions may also be made outside payroll but are still deductible when an employy does their tax returns. Teachers can also put in a lump sum amount.

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Am I required to put money into the HSA?

No. But if your medical bills exceed the amount contributed by the Board you will need to put money into the HSA to realize the tax benefits

Can I use my HSA to pay for dental co-pays, eyeglasses or other medical out of pocket medical expenses?

Yes, distributions from the HSA account remain tax-exempt if the IRS considers them qualified medical expenses. See IRS Form 502 for guidance. A list is attached for reference.

Can I also be covered by another plan?

No. However, your spouse and dependents could be covered under another plan, or even just your spouse, and you can still participate in the HDHP/HSA and still realize the tax advantages.

How do I access my HSA funds?

You can access your HSA funds via debit card and checkbook.

How are prescription drugs processed?

Prescription drugs are paid as any other service and are subject to annual deductible. In-network pharmacies will process the claim at point of sale. If one has not met annual deductible, the cost of prescription will be required before the prescription is dispensed. If the deductible has been met, the member will have no out of pocket cost