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## CONUS EMPLOYEES 2020 OE Overview

(844) 712-3250 Participant code: 94500945

# 2020 Plan Changes

- New High Deductible Health Plan (HDHP) with Health Savings Account (HSA) is being added as an option. In 2020 and going forward, all NAF employees will have a choice of medical plans to choose from.
- Maximum Amount Allowable is ending on 12/31/19. This amount was the maximum your health plan paid toward the facility cost for some outpatient procedures.
- No changes for 2020 to dental plans.

## 2020 Premiums

- The cost of the current medical plans will increase by 5.85%
- The new HDHP w/HSA will cost 20% less than the 2020 cost of the Choice POSII or Traditional Choice Plans.
- There is NO cost change for dental. Stand Alone Dental Rates will decrease by 3.5% for 2020.

# 2020 Plans Option Bi-weekly Payroll Cost Comparison

	Choice POS II (CPII) and Traditional Choice (TC) Plans	<b>New</b> High Deductible Health Plan (HDHP) – CPII or TC	Annual Savings from Current Plans
Employee ONLY	\$86.15	\$68.92	-\$447.98
Employee + Spouse	\$199.01	\$159.21	-\$1,034.80
Employee + Child(ren)	\$166.27	\$133.02	-\$864.50
Employee + Family	\$263.62	\$210.89	-\$1,370.98

## New HDHP is being added as an option for 2020 and forward!

- The new plan being offered as an option to the current plan(s) is a High Deductible Health Plan (**HDHP**). A HDHP is just a type of medical plan but it will have plan design features that meet the IRS requirements so that your NAF employer can also offer you a Health Savings Account (**HSA**) to enroll in if you are eligible.
- You'll now have a choice for medical plans. You can decide which medical plan best meets the needs of you and your family. During Open Enrollment, you'll have a cool tool call **ALEX** to put in your estimated healthcare needs and the tool can help you decide which plan may be best for you.
- Now you will be eligible to enroll in a HDHP with HSA which have been around since 2004. 1 in 12 Americans already have a HSA and are preparing for their biggest expense in retirement (healthcare) so you can choose to join them in saving for future healthcare expenses and benefit from **TRIPLE TAX SAVINGS!!**

# HSA offers triple tax benefits

## **TAX-FREE X 3 = FOR ME!!!**

Unlike other savings vehicles (Roth IRA, Traditional IRA, 401(k), etc.), an HSA offers triple tax savings:

- 1) Pretax or tax-deductible contributions (contribute post-tax and take a tax deduction before the tax filing deadline.
- 2) Tax-free interest from the savings account or investment earnings
- 3) Tax-free distributions, when used for qualified healthcare expenses

# This new plan sounds so different. How is this new HDHP plan similar to the plan I have today?

- HDHP will use the **same provider network (doctors, hospitals) and negotiated prices for services** and the **same pharmacy network and negotiated prices** as the CPII plan.
- HDHP will have the **same services covered** (i.e. 100% preventive, what drugs are covered, what is excluded, etc.) but at a **different cost share** than current. With a higher deductible, you'll pay more as you use the plan vs. paying more for a higher coverage level.
- HDHP will cover the **same program features** such as Teladoc (general medicine/dermatology/behavioral health), it will include incentives for healthy actions (biometric screenings/completing a health assessment/online journeys/3 calls with Disease Management on a goal) and 24 hr. Informed Nurse Helpline, etc.
- HDHP will have the **same \$150 vision hardware reimbursement** benefit as in CPII.
- HDHP will have the **same 100% preventive screening coverage in-network** as the current CPII plan
- Like the pharmacy benefit today, the HDHP will **also have Maintenance Choice, Choose Generics and use the same Aetna Standard Plan formulary** (list of which tier a drug falls under).

# What will be different on HDHP medical vs the current Choice POS II (CPII) medical?

- **LOWER PRICE.** The new HDHP option costs 20% lower than the 2020 cost of the CPII or TC plan.
- **HSA is available when you elect the HDHP.** Per the IRS, you are NOT eligible to elect an HSA unless you enroll in the HDHP plan.
- **Employer Deposit to the HSA.** With an HSA, your NAF employer is able to make a contribution (one amount for individual coverage, a different amount for family coverage). It will be a one-time deposit that will occur once you have **enrolled in both the HDHP and the HSA**. For 2020, your NAF will deposit \$500 Employee Only and \$1,000 Family (employee + spouse, employee + child/ren and employee + family) into your HSA account. Your NAF employer will make a contribution deposit to your HSA each plan year you are **enrolled in both the HDHP and the HSA**.
- **The HDHP plan has ONLY deductible & coinsurance.** IRS requires ALL covered expenses have the deductible apply. This includes PCP and Specialist office visit, Teladoc consults and Rx. ***The only 3 exceptions on the HDHP where deductible does not apply are:*** 1) the same as current plan 100% preventive screenings in-network, 2) the same as current vision benefit for each covered dependent of up to \$150 reimbursement for contact lenses and lenses and frames for glasses as well as the pediatric vision benefit and 3) if your prescription drug in on the 2020 Preventive Medicine list issued by the IRS.

This means that Primary Care Office visits will not be a \$30 copay or \$45 Specialist copay like current plan but rather you pay the full discounted (Aetna allowed) amount until the HDHP deductible has been met. Once the deductible has been met, you will share in the cost with the plan paying 75% and you paying 25% until the Out-of-Pocket maximum has been met.

# What will be different on HDHP medical vs the current Choice POS II (CPII) medical?

- **Pharmacy.** IRS requires all covered expenses have the deductible apply. This means that the IRS requires that ALL covered prescription drugs under your pharmacy benefit, with the exception of a Preventive Medicine List, have the deductible apply. This is very different than how you currently pay for prescription drugs (a set dollar amount called a copay).
- Maintenance Choice, Choose Generics and the 2020 Aetna Standard Formulary (what prescription drugs are on which tier) is the same as the current plan. What is different between the current plan and the new HDHP is the amount you'll pay under the before and after HDHP deductible has been met.
- If the prescription drug you take is on the 2020 Preventive Medicine list, the HDHP deductible is waived. This list of drugs can be found under Resources (on the far left) at:  
<https://www.nafhealthplans.com/health-benefits/medical/hdhp/>
- On this HDHP plan, you will have to pay the *full discounted price* of the prescription drug until the deductible has been met. **Once the deductible has been met, coverage for up to 30 day supply at Participating Retail Pharmacy is:**
  - ❖ Tier 1 - Generic – you pay 0% after deductible or if deductible is waived (prescription drug is on the 2020 Preventive Medicine List)
  - ❖ Tier 2 – Preferred brand-name drugs – 35% up to \$75 maximum
  - ❖ Tier 3 – Non-preferred brand-name drugs – 50% up to \$125 maximum (same maximum as Tier 3 on current plan)
  - ❖ Tier 4 – Specialty drugs – 50% up to \$125 maximum (same maximum as Tier 4 on current plan)



# Let's talk HSA!

- HSA allows **higher pre-tax contributions** than an FSA. For 2020, the maximum contributions to the HSA (including pre& post tax and employer deposit and any health incentives earned) is \$3,550 individual and \$7,100 family in 2020 vs. **\$2,700** for HCFSA.
- HSA contributions go into an online bank account with PayFlex. This bank account owner is you, the employee, so **there is no “lose it or use it”**
- HSA **monies stay with you** even if you switch plans or no longer work at your NAF employer (leave or retire). While you are enrolled in the HDHP with HSA, your NAF employer pays the monthly HSA bank fee. When you are no longer enrolled in the HDHP, the monthly HSA account fee will be taken from your HSA account.
- HSA monies **can be invested** at a balance of \$1,000 and greater. There are 25 investment funds you can choose from to invest your HSA monies in should you choose to do that.
- At 65 or older (or disabled), you can **use the HSA monies for non-eligible expenses without 20% tax penalty** (“regular” taxes will apply to the withdrawal amount)
- If you have an HSA somewhere else, you can **transfer balance** to our HSA
- **You are in charge** of your HSA funds. This makes you the decision maker of when to use your HSA monies for eligible healthcare expenses.

# Triple tax savings? I'm in!!

## Am I eligible for an HSA?

### **The IRS rules to be eligible for a Health Savings Account:**

**You have to be enrolled in a qualified HDHP, and the DoD NAF HBP HDHP will be a qualified plan.**

You cannot have any other health coverage that pays for out-of-pocket health care expenses before you meet your plan deductible. You CAN have dental but can NOT have other medical/RX coverage.

You cannot have an FSA in the same plan year (and neither can your spouse). You CAN have Dependent Care FSA but not Health Care FSA.

You cannot have Medicare or TRICARE. Your spouse or children CAN have other coverage.

You cannot have someone claim you as a tax dependent on their tax return

You cannot have had VA benefits used in the prior 3 months before HSA setup (unless for a service-related disability)

**NOTE: Even if you are not eligible for the Health Savings Account, you could still enroll in the HDHP medical plan**

# HSA vs. HCFSA

**HSA = Health Savings Account** (IRS pretax. Administered by PayFlex except for Air Force.)

- You are eligible to set up and contribute to an HSA ONLY if you are covered under a qualified HDHP (not available if enrolled in any other DoD NAF Plans)
- It's an interest-bearing savings account, owned by employee, can be invested if balance reaches \$1,000 and above. It's portable. Your HSA monies stay in your account with triple tax benefits until you use it for eligible healthcare expenses
- Do NOT need to submit receipts for debit card purchases. You should keep all receipts showing how you used your HSA funds to be able to show it was a qualified medical expense and in event of an IRS audit.
- Your contributions can be pre-tax (via payroll deductions) or post-tax . Pre-tax payroll contributions are available to spend as they come out of each paycheck. You can change your pretax payroll contributions at most monthly. You can also contribute post-tax and others can as well. Actually...your grandmother can contribute to your HSA! For your post-tax contributions, you would take an "above-the-line" tax deduction and complete Form 8889 with your taxes to show contributions to and distributions from your HSA
- You or your spouse can NOT have a Health Care FSA in the same year you have contributions to an HSA. You can still elect the Dependent Care FSA in the same year that you elect a HSA.
- IRS allow for HSA monies for dependent children to age 24. The HDHP allow for you to cover your dependent children to age 26.
- Your NAF employer can make contributions to your HSA. They will contribute \$500 Employee Only and \$1,000 for Family at the beginning of the plan year.
- If you are 55 and older, each year you are eligible for HSA, you can contribute an additional \$1,000 to your HSA. This is called a "catch-up" contribution. You can contribute up to the tax filing deadline (typically April 15<sup>th</sup>)

# Health Care Flexible Spending Account (HCFSA)

- IRS pretax employee payroll contribution. Administered by PayFlex.
- Health Care FSA is available even if you don't have DoD NAF HBP medical coverage
- You must be eligible to elect the HSA. Examples of not eligible for HSA are if you are not covered by a HDHP plan or are covered by another medical plan such as a spouse's plan or Medicare or TRICARE. **If you are not eligible for an HSA, you can elect a Health Care FSA (HCFSA) each year.**
- "Use it or lose it" up to \$500 rollover each year. (Air Force does not have rollover but does have a 3 month grace period to use funds from prior year)
- REMEMBER: You must make an annual election each year during Open Enrollment to enroll or re-enroll. This annual election amount is available in January
- Need to submit receipts for reimbursement and for some debit card purchases. Use the PayFlex mobile app to make this really easy!
- **No employer contributions are allowed for FSA.**
- **If you plan to use FSA rollover from 2019, you can NOT enroll in the HSA for 2020. You can enroll in the HDHP medical plan, but not the HSA. If you still want to enroll in the HSA, your options for that FSA rollover are: submit 2019 FSA claims by the filing deadline to use up as much as possible OR forfeit the FSA rollover amount.**

# 2020 Health Incentives

- **No changes to the Health Incentive program from 2019.**
- Any health incentives earned while enrolled in the HDHP and HSA will deposit to your HSA. If you enroll in the HDHP but are not eligible for the HSA or do not enroll in the HSA, you will not be eligible to earn the health incentives. Incentive monies deposited to HSA are always there. Incentives earned under the CPII or TC medical plans roll over up to 3 years and are used as you have deductible and/or coinsurance claims.
- Earn up to \$300 employee only or up to \$600 for family each year in health incentives by doing:
  - \$150 each for Biometric Screening for employee and covered spouse. Deadline is 11/30
  - \$75 each for employee and covered spouse to complete an online health assessment by 12/31
  - \$75 each online wellness journey (up to 4 each) for employee and covered spouse completed by 12/31
  - \$75 each for completing 3 calls to work on a goal with a Disease Management Nurse for employee and covered spouse (Program covers 36 conditions) by 12/31
- Information about how to earn health incentives and to register for a biometric screening are on [nafhealthplans.com](http://nafhealthplans.com). It's not too late to earn incentives in 2019!!!

# 2020 Teladoc

- **No changes to the Teladoc program from 2019.** Behavioral Health video consults and dermatology photo share consults were added effective 1/1/2019.
- If you are enrolled in the HDHP, all the Teladoc programs are available to you but they are not copays (like they are on the current CPII or TC plan). You will pay the full cost of the Teladoc consult until you have met the deductible.
- Actual Costs for Teladoc consults, which you are responsible for during the deductible phase of the HDHP plan are:
  - \$40 – 24/7/365 General Medicine consult (telephonic or video where allowed by state)
  - \$75 for Dermatology consults
  - \$160 for initial consult and then \$90 for subsequent consults with a psychiatrist or \$80 for consult with a therapist other than a psychiatrist (psychologist, etc.)
- After the HDHP deductible has been met, **your cost of the General Medicine consult (24/7/365) will be \$0!** The plan will pay the full cost of the general medicine consult on the HDHP after you have met the HDHP deductible for the plan year.

# How can I learn more about 2020 and the new HDHP option?

- The [www.nafhealthplans.com](http://www.nafhealthplans.com) website
- Attend any of the employee **calls** that will be scheduled during the 1<sup>st</sup> 4 of the 5 weeks of OE (call schedule is posted on [www.nafhealthplans.com](http://www.nafhealthplans.com)).
- For very detailed information, be sure to check out the Consumer's Guide to Health Savings Accounts (HSA) is posted on [www.nafhealthplans.com](http://www.nafhealthplans.com) website.
- Use **ALEX** during Open Enrollment to help you decide which plan is best. It's a great tool that will guide you through benefit comparison so you can input your personal healthcare scenario for **ALEX** to make a recommendation of which plan may be better for you and your family.