



DISCOVER  
your WORLD of benefits

# Your 2013 Medical Plan Options



Real Life. Real Benefits. Real Choices.

# Benefits Restructuring:



All changes were approved in January 2012

Paid  
leave

Retirement:  
401(k)  
savings plan

Retirement:  
Pension plan

Medical  
benefits

Replace  
personal  
leave and  
sick leave  
with paid time  
off

Suspend  
employer  
match  
until financial  
conditions  
improve

Changes for  
current and  
new staff

New plan  
designs



Department of Energy  
Oak Ridge Office  
P.O. Box 2001  
Oak Ridge, Tennessee 37831

January 4, 2012

Dr. Thomas E. Mason, Director  
Oak Ridge National Laboratory  
UT-Battelle, LLC  
Post Office Box 2008  
Oak Ridge, Tennessee 37831-6255

Dear Dr. Mason:

**PROPOSED CHANGES TO OAK RIDGE NATIONAL LABORATORY  
BENEFIT PROGRAMS**

- References:
1. 11/04/11 letter, Johnny O. Moore to Thomas E. Mason, subject, "Approval of Proposed Change to Employer Contributions for the Savings Plan for Employees at the Oak Ridge National Laboratory"
  2. 10/04/11 letter, Thomas E. Mason to Johnny O. Moore, subject, "Contract DE-AC05-00OR22725, Oak Ridge National Laboratory Benefit Changes for 2012 and 2013"

The Department has carefully reviewed the proposed benefit program changes, outlined in your October 4, 2011, letter. The proposed changes are reasonable and consistent with the Department of Energy's objectives to control cost and provide competitive benefits to support mission objectives. The proposed changes have received Head of Contracting Activity approval and are approved contingent upon submission of revised plan documents and summary plan descriptions to ensure the approved benefit changes are accurately reflected.

If there are any questions or additional information is required, please contact me at 576-3536 or Martha Kass at 576-0717.

Sincerely,

  
Johnny O. Moore, Manager  
ORNL Site Office

cc:  
Lisa B. Carter, AD-441, ORO  
Mark A. Millon, SC-16, ORO  
Timothy J. Souldard, FM-70, ORO

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# Implementation Timeline



Staff	Effective Date
Salaried	January 1, 2013
Bargaining Unit	January 1, 2014
Salaried Retirees	
Retired as of 1-1-2013 (Stay in current plans)	Retired effective 2-1-2013 (New plans)
POS	OAP
Open Access	Choice Fund

September 18-20 and 25-26

Employee meetings on the impact of retiring in 2012 vs. 2013

# Communications Strategy



Focused on helping staff make the best choice for them and their families

<b>Announcements</b>	<ul style="list-style-type: none"><li>• ORNL Today</li><li>• E-mail messaging</li><li>• Digital signs</li></ul>
<b>External Web Site</b>	<ul style="list-style-type: none"><li>• <a href="http://benefits.ornl.gov/2012">http://benefits.ornl.gov/2012</a></li><li>• Available to employees and family members</li></ul>
<b>Enrollment Guide</b>	<ul style="list-style-type: none"><li>• Mailed to employees in early September</li></ul>
<b>Employee Meetings</b>	<ul style="list-style-type: none"><li>• Multiple sessions across campus</li><li>• Sept. 18-20 and Oct. 17</li></ul>
<b>Webinar</b>	<ul style="list-style-type: none"><li>• Available in October on web site</li></ul>
<b>Decision Support Tools</b>	<ul style="list-style-type: none"><li>• Cigna</li><li>• Express Scripts (Medco)</li></ul>
<b>Benefits Fair</b>	<ul style="list-style-type: none"><li>• October 18</li></ul>

# 2013 Elections



**Open Enrollment: Oct. 8-31, 2012**

**All salaried employees will elect a new plan**

**Default option for 2013:**

**If you do not enroll in a plan during Open Enrollment you will be placed in the Open Access Plus (OAP) plan**

# Additional Information Points



- **FSA limits for 2013**
  - Health Care: \$2,500
  - Dependent Care: \$5,000
  
- **Domestic Partner Benefits**
  - For active, salaried employees only
    - Bargaining Unit eligible in 2014
    - Retirees not eligible
  - For medical and dental benefits only
  - Must meet eligibility guidelines and provide documentation
  - Domestic Partner benefits are taxable - reported as imputed income
  
- **Dental and Vision Care**
  - No change in coverage

# Today's Agenda



- What's New for 2013
- The Rx Plans
- What is a Health Savings Account (HSA) and a Cigna Choice Fund Health Plan?
- How your Cigna Choice Fund/HSA works
- Managing and Investing in your HSA
- Next Steps
- Q&A Period

# New Medical Plans for Salaried Staff



Today	January 2013	Characteristics
Point of Service (POS) Plan	Open Access Plus (OAP) Plan	<ul style="list-style-type: none"> <li>• Similar benefit coverage level as POS</li> <li>• New medical and Rx co-pays and coinsurance for 2013</li> </ul>
Open Access	<p>Choice Fund with HSA</p> <p>A Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA)</p>	<ul style="list-style-type: none"> <li>• Similar benefit coverage level as Open Access</li> <li>• Lower premiums and higher deductibles than traditional health plan</li> <li>• Portable HSA can be used to pay for healthcare                             <ul style="list-style-type: none"> <li>– Tax-saving vehicle for current or future expenses</li> <li>– Funded by both employer and employee</li> </ul> </li> <li>• Members have greater control over healthcare spending</li> <li>• Responds to feedback from 2010 benefits survey</li> </ul>

# 2013 Medical Plans: Common Features



## New Features for 2013 in both plans

### National Network of Providers

- Replaces Tennessee Seamless network
- Access to all national network providers at 'in-network' levels
- Eliminates guesting for out-of-state staff or dependents

### Open Access Platform

- No PCP requirement – although still recommended
- No Referral requirement to see specialist

### Bariatric Surgery

- Covered subject to medical necessity & clinical guidelines

### Medco is becoming Express Scripts

- Pharmacy provider is completing merger – Will now be known as Express Scripts

# 2013 Medical Plans: Common Features



## Continuing Features for 2013 in both plans

### Preventive Care

- Covered at 100%
  - Includes well baby, well child, well woman and adult preventive care.
  - Preventive screenings: Mammogram, PSA & Pap Smear

### Rx Cost Management

- Retail Refill Allowance (RRA) (3 fills at retail)
- Generic vs. Brand (Member pays the difference )

### Network Options

- In-network provides higher discounts, lower employee cost
- Out-of-network offers expanded provider options but at higher cost

# 2013 Medical Plans: Structure



	Open Access Plus	Choice Fund
<b>Annual Deductible</b>	\$0	Employee: \$1,500 All other coverage levels: \$3,000 (Medical & Rx combined)
<b>Coinsurance</b> (Payable after annual deductible has been met)	None	You pay 10% after deductible ORNL pays 90%
<b>Annual Out-of-Pocket Maximum</b>	None	Employee: \$2,500 All other coverage levels: \$5,000 (Medical & Rx combined)
<b>Office Visit</b>	PCP: \$20 copay Specialist: \$35 copay	You pay 10% after deductible ORNL pays 90%
<b>Inpatient Hospital Services</b>	\$250 copay per admission, then ORNLs pays 100%	You pay 10% after deductible ORNL pays 90%
<b>Outpatient Surgery</b>	ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
<b>Hospital Emergency Room</b>	\$75 copay, then ORNL pays 100%	You pay 10% after deductible ORNLs pays 90%

# 2013 Medical Plans: Covered Benefits



Benefit coverage level is similar to previous plans

Some significant differences b/w plans\*

	Open Access Plus	Choice Fund
<b>Preventive Care &amp; Screenings</b>	ORNL pays 100%	ORNL pays 100%
<b>Lab and X-ray (Outpatient or independent facility)</b>	ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
<b>Maternity</b>	You pay an initial office visit copay Then ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
<b>Chiropractic Care (25 visits per year)</b>	PCP: \$20 copay Specialist: \$35 copay	You pay 10% after deductible ORNL pays 90%
<b>Mental Health</b>	Outpatient: \$35 copay per visit Inpatient: \$250 copay per admission, then ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
<b>Short-term Rehabilitation * (Speech, physical, occupational, etc. therapy)</b>	PCP: \$20 copay Specialist: \$35 copay <b>20 day limit</b> per calendar year, in- and out-of-network combined	You pay 10% after deductible ORNL pays 90% <b>180 day limit</b> per calendar year, in- and out-of-network combined
<b>Hearing Aids *</b>	Not Covered	You pay 10% after deductible ORNL pays 90% (\$750 maximum every 36 months)
<b>Infertility Treatment *</b>	Not Covered	You pay 10% after deductible ORNL pays 90% (\$20,000 lifetime max.)

# 2013 Medical Plans: Cost



## Premiums for 2013: OAP and Choice Fund

Rates are set based on ORNL's previous 12-18 months experience

- Choice Fund premiums are lower but deductible is higher
- OAP premiums are higher but out of pocket costs are less

### Wellness Incentive can off-set premium cost

A \$30 month credit on premiums - \$360 savings per year

## ORNL Wellness Program

rewardpoints plus+  
yourHealth counts + ...



**Health Assessment campaign: September 17 – October 31**

**Reward Points campaign ends October 31**

# 2013 Medical Plans: Premiums



	Weekly Paid		Monthly Paid	
	Regular	w/Credit	Regular	w/Credit
<b>Open Access Plus</b>				
Employee	\$38.15	\$30.65	\$152.50	\$122.50
Employee + one	\$68.50	\$61.00	\$274.00	\$244.00
Employee + 2 or more	\$98.90	\$91.40	\$395.50	\$365.50
<b>Choice Fund w/ HSA</b>				
Employee	\$23.25	\$15.75	\$93.00	\$ 63.00
Employee + one	\$47.45	\$39.95	\$189.80	\$159.80
Employee + 2 or more	\$63.00	\$55.50	\$252.00	\$222.00

# Prescription Drugs: Open Access Plus



	Retail <i>(Up to a 30 day supply)</i>		Mail-order <i>(Up to a 90 day supply)</i>	
Generic drugs (Tier1) <i>(actual cost if less than copay)</i>	\$5 copay		\$12 copay	
	30% Coinsurance for Brand Drugs			
	<b>Min</b>	<b>Max</b>	<b>Min</b>	<b>Max</b>
Preferred Brand drugs (Tier 2)	\$20	\$100	\$50	\$200
Non-Preferred Brand drugs (Tier 3)	\$40	\$200	\$100	\$400

## Mail Order Brand (Tier 2) Coinsurance examples

Drug cost	30% coinsurance	Member pays
\$160	\$48	\$50 (minimum payment)
\$400	\$120	\$120 (30% of covered cost)
\$1,600	\$480	\$200 (maximum payment)

**Coinsurance:**  
 Employee's share  
 of covered cost

# Claim Cost Example



Open Access Plus Mail Order Claim		
Generic Tier 1 \$12	Brand Tier 2 (preferred) 30% with a \$50 min/\$200 max	Brand Tier 3 (non-preferred) 30% with a \$100 min/\$400 max
<b>Drug Total Cost- \$200</b>	<b>Drug Total Cost- \$500</b>	<b>Drug Total Cost- \$1,600</b>
<b>Member Pays- \$12</b>	<b>Member Pays- \$150 (coinsurance applies)</b>	<b>Member Pays- \$400 (maximum)</b>
<b>ORNL Pays- \$188</b>	<b>ORNL Pays- \$350</b>	<b>ORNL Pays- \$1,200</b>

# Prescription Drugs: Choice Fund



	Retail <i>(Up to a 30 day supply)</i>		Mail-order <i>(Up to a 90 day supply)</i>	
	Deductible is \$1,500 individual / \$3,000 family 20% coinsurance after deductible is met			
	Min	Max	Min	Max
Generic drugs (Tier1) <i>(actual cost if less than min)</i>	\$10	\$75	\$20	\$150
Preferred Brand drugs (Tier 2)	\$25	\$150	\$60	\$300
Non-Preferred Brand drugs (Tier 3)	\$40	\$250	\$100	\$500

## Mail Order Brand (Tier 2) Coinsurance examples

Drug cost	20% coinsurance	Member pays
\$160	\$32	\$60 (minimum payment)
\$400	\$80	\$80 (20% of covered cost)
\$1,600	\$320	\$300 (maximum payment)

Coinsurance:  
Employee's share  
of covered cost

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# Claim Cost Example



<b>Choice Fund</b> <b>Mail Order Claim: Generic Drug (Tier 1)</b>		
<b>Deductible Phase</b> <b>\$1500</b>	<b>Coinsurance Phase</b> <b>20% with a \$20</b> <b>min/\$150 max</b>	<b>Out-of-Pocket Phase</b> <b>\$2500</b>
<b>Drug Total Cost: \$100</b>	<b>Drug Total Cost: \$100</b>	<b>Drug Total Cost: \$100</b>
<b>Member Pays: \$100</b>	<b>Member Pays: \$20</b>	<b>Member Pays: \$0</b>
<b>ORNL Pays: \$0</b>	<b>ORNL Pays: \$80</b>	<b>ORNL Pays: \$100</b>
<b>Deductible Remaining</b> <b>\$1400</b>	<b>Deductible is met in this</b> <b>phase</b> <b>\$20 toward Out-of-Pocket</b>	<b>Out-of-Pocket is met in</b> <b>this phase</b>

# Drug Coinsurance Examples



## 90 day Mail Order

Drug	Cost	OAP Coinsurance (30% w/min/max)	Choice Fund Coinsurance (20% w/min/max)
<b>Nexium</b> 40 mg (Tier 2)	\$514.73	\$154.42	\$102.95
<b>Lipitor</b> 80 mg (Tier 3)*	\$460.81	\$138.24	\$100 (min)
<b>Atorvastatin</b> 80 mg (Lipitor generic) (Tier 1)	\$163.30	\$12.00 (copay)	\$32.66
<b>Singulair</b> 10 mg (Tier 3)*	\$429.99	\$129.00	\$100 (min)
<b>Abilify</b> (Tier 2)	\$2,925.00	\$200 (max)	\$300 (max)

**\*Subject to Member Pays the Difference charges**

Example for illustrative purposes only.

# Express Scripts / Medco Decision Tool



Available Sept. 10: [www.medco.com/ornl](http://www.medco.com/ornl)  
866-749-0097

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## Welcome to Medco®

You can count on this online resource to help you learn about and manage your prescription benefit program.

### Learn about Medco®

Medco helps improve health and lower total health care costs. Learn more and sign up for important alerts.

Go

### Open Enrollment Information

Get the details you need to enroll in new or different prescription benefits.

Go

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OAK  
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# Express Scripts / Medco Decision Tool



Available Sept. 10: [www.medco.com/ornl](http://www.medco.com/ornl)  
866-749-0097



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## Open Enrollment Information

For the 2013 plan year you have a choice of prescription benefit plans. Please select a plan below to learn more.

Open Access Plus

Choice Fund -Deductible Phase

Choice Fund- Coinsurance Phase

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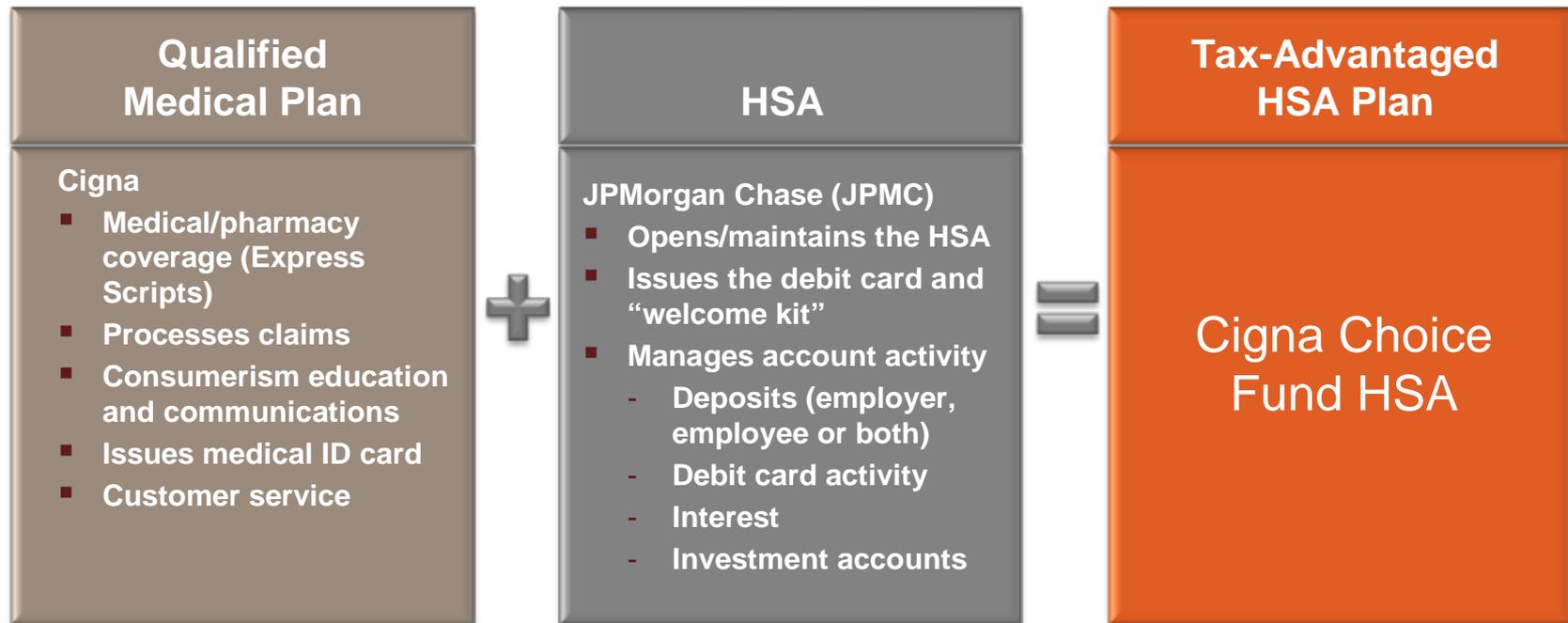


## What is a Health Savings Account (HSA) and the Cigna Choice Fund Health Plan?

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# The Cigna Choice Fund<sup>®</sup> HSA



Cigna serves as the employee's **single point of contact** for most questions.

- One toll-free number to call for questions about the medical plan, claims, bank account requirements, and account balance and activity
- One website to manage coverage, claims, decision support tools and banking
- Call Express Scripts for RX claim details and pharmacy questions



# Triple Tax Advantages



## Consumer Driven Health Plan with a Health Savings Account

### Contributions

- Your Payroll Deduction contributions are pre-tax
- After-tax contributions can be deducted when you file your tax return

### HSA Account Growth

- Interest earned on your cash account is not taxable
- Investment earnings on mutual funds are not taxable

### Withdrawals

- Withdrawals to pay qualified medical expenses are tax-free
- Withdrawals for ineligible expenses are taxed and you pay a 20% penalty
- At age 65, withdraw funds for any reason with no penalty (taxes do apply)

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## How does my Cigna Choice Fund health plan and my HSA work together?

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# It's Easy to Receive Care



Rx



Flexibility:  
No referrals  
needed to  
see a  
specialist.

Receive  
discount  
from  
in-network  
doctors.

Do not pay  
a copay at  
time of  
service.

Present Cigna ID  
card every time  
– in- or out-of-  
network. ID  
card includes  
everything  
doctors need to  
file a claim for  
you.

Present your  
Express  
Scripts RX  
card. You can  
use your  
CIGNA HSA  
debit card to  
pay at the  
pharmacy.

Cigna receives  
the claim and  
processes it  
based on your  
plan benefits.

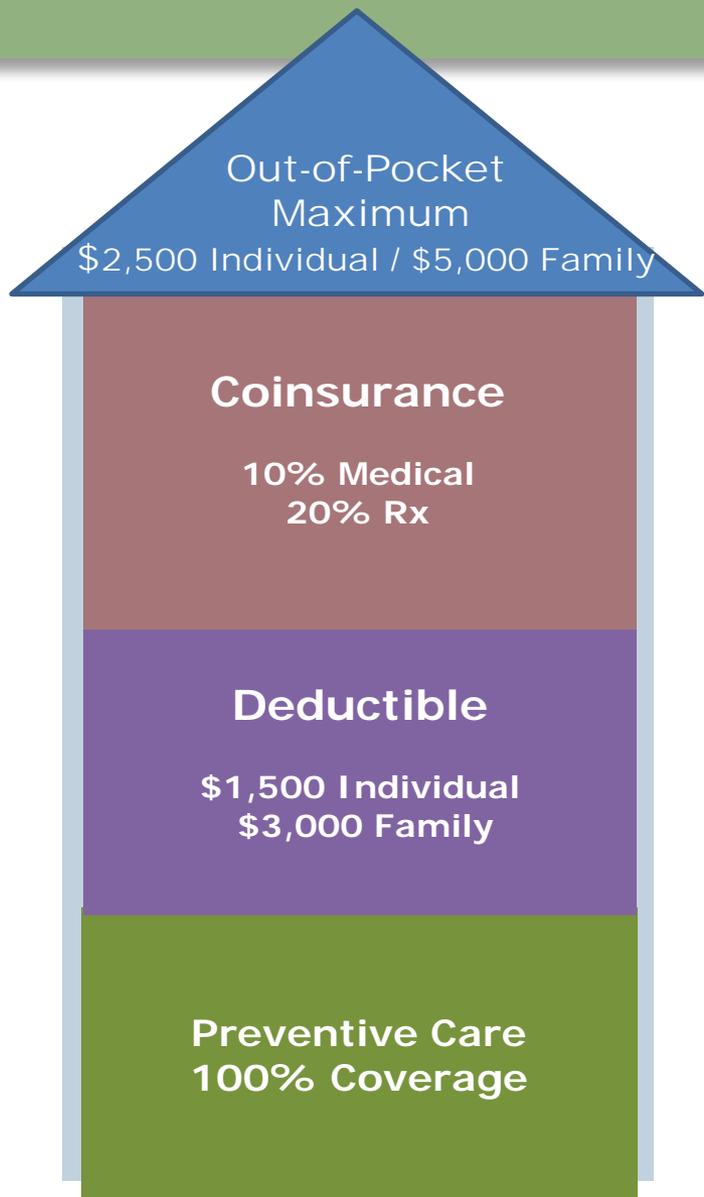
Track claims with  
EOBs and  
quarterly  
statements or  
online at  
[myCigna.com](http://myCigna.com)

Doctor will send a  
bill if you owe a  
balance.

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# Choice Fund: Putting It All Together



## **Preventive Care**

- Covered at 100%

## **Deductible phase:**

- Pay 100 percent of cost until you:  
Meet annual combined medical and prescription drug deductible.

## **Coinsurance phase:**

- Pay only the coinsurance amount until you:  
Reach annual combined medical and prescription drug out-of-pocket maximum.

## **Out of pocket - 100 % coverage phase:**

- Plan pays 100 percent of medical and prescription drug expenses for the remainder of the benefit year.

# Example

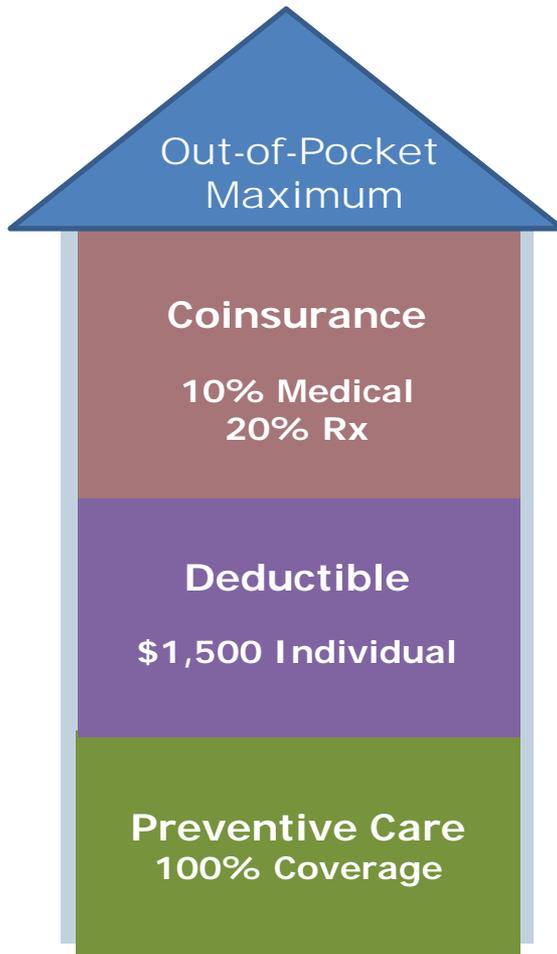


## Meet Karen

Single, in her 50s

Heart disease; controlling health through medication

Looking to save money for future health expenses



## Karen's 2013 Medical Costs

**Preventive Care**     **\$350** (covered 100% by Plan)

\$2,600	ER Visit
<u>- 1,500</u>	Karen pays 100% up to the deductible
1,100	
x .10	
<b>\$110</b>	Karen pays 10% coinsurance on the remaining balance
<u>\$420</u>	4 visits to her PCP
X .10	
<b>\$42</b>	Karen pays 10% coinsurance
<b>\$288</b>	Generic Rx: 3 prescriptions filled at mail order w/ Rx 20% min/max coinsurance applied
<u>\$240</u>	Brand Rx (Tier 2) w/ Rx 20% min/max coinsurance applied
<b>\$2,180</b>	<b>Karen's total costs</b>

# Example

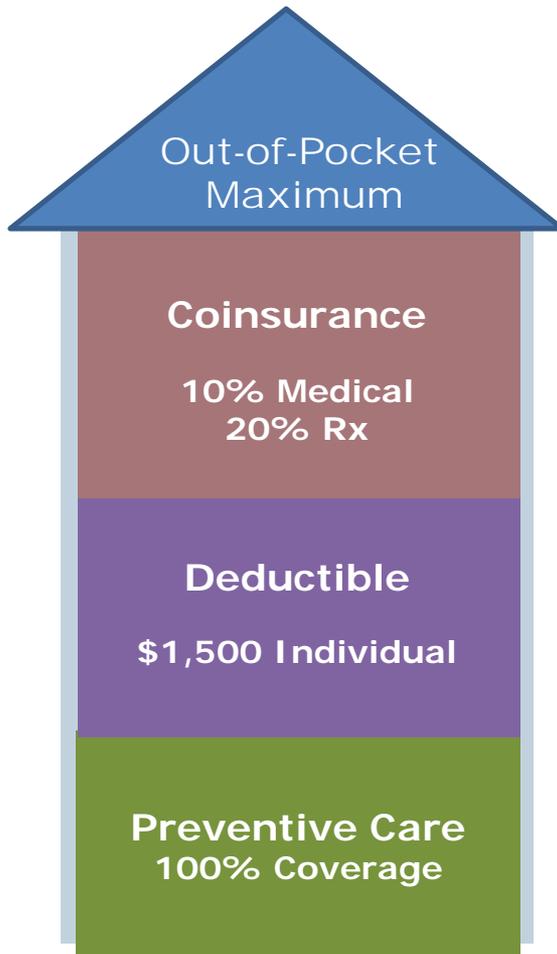


## Karen

Single, in her 50s

Heart disease; controlling health through medication

Looking to save money for future health expenses



## Karen's 2013 Healthcare Resources

### HSA Contributions

- \$ 250 Employer Funds deposited 01/02/2013
- \$ 360 Wellness Incentive (\$30/month)
- \$2400 Employee Contribution (\$200/month - replaces FSA Contribution)

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**\$3,010** Karen's Total Annual HSA Contribution

**-2,180** Karen's Healthcare costs, paid from HSA

**\$ 830** Remaining balance in Karen's HSA for 2014

# Being a Better Healthcare Consumer



- Obtain care in the most cost-effective settings (when appropriate)
  - Convenience care clinics, urgent care centers and outpatient facilities.
- Request your doctor use Quest or Labcorp – our National Lab Providers
  - Save up to 75%
- Contact a Cigna nurse at the 24-hour Health Information Line
- During 2012 Pre-Enrollment, call the Pre-Enrollment line for Cigna for assistance or use the [www.myCignaPlans.com](http://www.myCignaPlans.com) Medical Plan Cost tool.
- In 2013, compare costs using cost and quality tools on [www.myCigna.com](http://www.myCigna.com)
  - 200 procedures from office visits and labs to more complex procedures like MRI's, colonoscopies and outpatient surgeries.
- Prescriptions – use mail-order options through Express Scripts
- Check out Cigna's Healthy Rewards discounts on many health-related services

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# Use Cigna's On-line Resources

www.mycigna.com



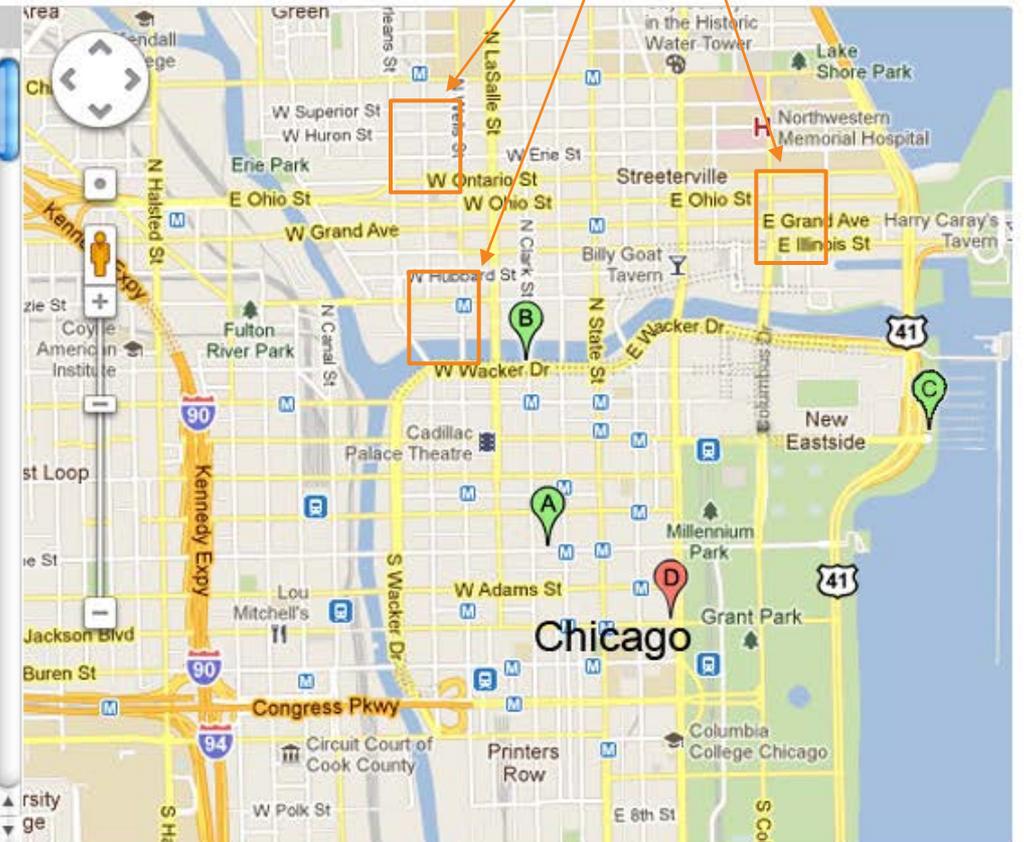
## Compare Cost & Quality information when selecting a doctor 2012 : TN Seamless Network data      2013: National OAP Network data

You Searched For ▶▶ Knee Arthroscopy | Near ▶▶ Chicago, IL | Plan ▶▶ Open Access Plus – [Change Plan Type](#)

We Found ▶▶ 132 Doctors

Get Directions ▼ | Sort By  | CIGNA CARE DESIGNATION | [Print / Save Results](#) | [View List](#) | [View Map](#)

<p><b>A</b> <b>Dr. Peter Gubbins</b> 100 S State St Chicago, IL 60611 312-234-5555 0.83 Miles</p> <p> CIGNA CARE DESIGNATION <a href="#">Send To Text / Email</a></p>	<p>Total Expected Cost: <b>\$1722.00</b></p>	<p>Your Estimated Cost: <b>\$1722.00</b></p>
<p><b>B</b> <b>Dr. John Vishna</b> 263 W Wacker Dr Chicago, IL 60611 312-624-5555 1.67 Miles</p> <p> CIGNA CARE DESIGNATION <a href="#">Send To Text / Email</a></p>	<p>Total Expected Cost: <b>\$3425.00</b></p>	<p>Your Estimated Cost: <b>\$2119.00</b></p>
<p><b>C</b> <b>Dr. Alicia Moore</b> 987 Lake Shore Dr Chicago, IL 60611 312-578-5555 2.59 Miles</p> <p> CIGNA CARE DESIGNATION <a href="#">Send To Text / Email</a></p>	<p>Total Expected Cost: <b>\$4276.00</b></p>	<p>Your Estimated Cost: <b>\$2287.00</b></p>
<p><b>D</b> <b>Dr. Vikas Ramalis</b> 542 S Michigan Ave Chicago, IL 60611 312-997-5555</p>	<p>Total Expected Cost: <b>Not shown at doctors request</b></p>	<p>Your Estimated Cost: <b>Not shown at doctors request</b></p>



# Managing your HSA



- HSA vs FSA
- ORNL Employer Contributions
- IRS Regulations on Contributions
- Definition of Eligible expenses for the HSA
- How to use the HSA for healthcare expenses
- Investing monies in your HSA
- Tax Considerations

# HSA vs FSA



- Can only access funds actually in the account
  - Choice Fund enrollees are eligible for the HSA but NOT the Health Care FSA
  - If you have a 2012 Health Care FSA, you must exhaust your FSA account and file all claims by 12-15-2012
  - Otherwise, your HSA account will not open until 4-1-2013 and only expenses incurred after 3-31-2013 can be reimbursed
- 
- **Choice Fund participants can use ORNL Health Services for preventive and occupational medical care but not for walk-in care, physical therapy services, allergy shots, etc. This is due to IRS regulations concerning the tax-advantaged status of the HSA account.**
  - **Choice Fund participants can have additional coverage elsewhere (ex: secondary coverage under a spouse's plan), as long as it is a high deductible health plan. Otherwise, additional coverage is not allowed.**

# ORNL Contributions



- ORNL will make an initial 'seed money' contribution for 2013:
  - \$250 for an individual account
  - \$500 for individual plus 1 or family
- Monies should be available on 1/2/2013  
(first business day of the new year)
- Employer contributions count toward annual maximums

# Maximum HSA Annual Contributions



**Maximum amounts are regulated by the IRS and include employer contributions:**

**Under age 55 and not enrolled in Medicare: (based on a 12 month period)**

- ✓ up to \$3,250 individual coverage
- ✓ up to \$6,450 family coverage

**Age 55 or older:**

- ✓ Contribute an additional \$1,000 (a “catch-up” contribution)
- ✓ up to \$4,250 individual /\$7,450 family coverage

**To make the maximum contribution in a calendar year, you must:**

- ✓ Meet all requirements to be eligible for HSA contributions on January 1
- ✓ Remain qualified through December 1
- ✓ Otherwise, contribution is prorated for each month individual is qualified

**Age 65 or older**

- ✓ You are not eligible to open or contribute to a HSA under IRS rules if you are enrolled in Medicare Part A, B and/or D.
- ✓ Carefully consider your options if you are nearing 65 in 2013.

# HSA Eligible Expenses



- Eligible Expenses include:
  - Medical, prescription drug, dental, vision
  - Expenses for anyone you claim as a Federal tax dependent
  - YOU are responsible for making sure your expenses are Eligible
- Ineligible Expenses:
  - Cannot pay expenses of children who are enrolled in your plan (such as adult children to age 26) who are not claimed as tax dependents
  - If you use money from your HSA for ineligible expenses and are audited by the IRS, you will pay taxes plus a 20% penalty
  - [www.irs.gov](http://www.irs.gov) (Refer to IRS Publication 502 'Medical and Dental Expenses'.)
- Consult with your tax accountant or tax advisor

# Saving for the Future



- HSA funds belong to you and roll over from year to year. (Think 401k)
- Spend your HSA monies on medical expenses, even after you are no longer enrolled in a high deductible plan
- May also use your HSA funds to pay for:
  - COBRA medical premiums
  - Long-Term Care Insurance
  - Medicare Out of Pocket expenses
- Use as income in retirement, like a 401(k) – pay taxes, but no penalty
- Pay for medical expenses when you retire: (estimate of what you will spend in retirement)
  - \$200,000 – Center for Retirement Research at Boston College ( 2009)
  - \$210,000 – Employee Benefit Research Institute (2009)
  - \$230,000 – Fidelity Investments (2011)

# Paying for Medical Expenses



- **Debit Card from JP Morgan Chase**
  - Pay your medical providers with your Debit Card
- **Online Bill Payment**
  - Schedule one-time or repeating payments
  - Pay your medical providers or reimburse yourself for expenses you've paid
- **Automatic Claim Forwarding**
  - Available for medical claims – not for prescriptions
  - Claims automatically sent to your HSA. Payments made to your or your provider
- **In your control**
  - Start / Stop Auto Claim Forwarding anytime at [www.myCigna.com](http://www.myCigna.com)
- **Checks** – Currently used by less than 1% of customers



# Investing the Funds in Your HSA



- \$2,000 minimum in HSA required to establish a self-directed investment account
- 12 mutual funds to choose from
- Allocate into any or all funds
- Tax-free growth of investment earnings
- Track your balance online or with convenient quarterly statements
- Use investment tools on the Chase website to get information about current and potential investments and help you manage your accounts

Mutual funds are introduced by, and HSA investment accounts are provided by J.P. Morgan Institutional Investments Inc., member FINRA and SIPC, and an affiliate of J.P. Morgan Chase Bank, N.A. This service is available only to U.S. persons (including U.S. citizens and U.S. resident aliens) residing in the U.S.

Mutual fund shares are: NOT FDIC INSURED, NOT PRODUCTS OF OR GUARANTEED BY THE BANK and MAY LOSE VALUE.

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# Tax Information



- Chase mails you required IRS forms each year which assist you in completing your Federal and State tax returns
- You can make 2013 contributions until April 15, 2014 or when you file your tax return
- File Form 8889 with your Federal tax return
  - Required if you made contributions or withdrawals
  - Form used to report withdrawals for medical expenses as well as ineligible withdrawals
- Keep receipts and EOBs in case you are audited

# If You Contribute Too Much to Your HSA



## Reasons You Might Contribute Too Much

- You make after-tax contributions by check as well as pre-tax contributions through payroll deduction
- You have contributed the maximum amount for the year and then leave your high deductible health plan

## How to Withdraw Excess Contributions

- Complete an Excess Contribution Form and send it to JPMC
- Withdraw excess contributions made in 2013 anytime before you file your 2013 tax return in 2014
- Also withdraw any income earned on the contributions you withdraw
- Report the earnings as “Other Income” on your tax return

## If You Don't Withdraw Excess Contributions

- You'll pay income taxes and a penalty on the excess amount

# Next Steps



- [www.myCignaPlans.com](http://www.myCignaPlans.com)
  - Customized website for Choice Fund and OAP plan comparisons
- Opening your HSA bank account
- Where to go for more information

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# Decision Support from Cigna



- Cigna Pre-Enrollment Line: 1.800.401.4041

- [www.myCignaPlans.com](http://www.myCignaPlans.com)

- Get instructions
- Helpful tips
- Estimate tax savings and plan expenses

- User ID: 2013ORNL

- Password: cigna

- Open Enrollment:

- 10/8/2012 - 10/31/2012

The screenshot shows the myCIGNAPlans website. At the top left is the logo "myCIGNAPlans" with the tagline "pre-enrollment health plan comparison tool". The top right shows "Logged in as: CIGNA Companies" and "Home | Log Out". The main header features the "myCIGNAPlans" logo and a landscape image. Below the header, there is a "Welcome to myCIGNAPlans.com" section with a photo of a woman and child. A "Review Plan Options" section is visible, along with a table of plan options. On the right, there is a "I Want to..." section with links to "Find a doctor, hospital, pharmacy or special facility", "Use the Hospital Quality Tool", and "Set up my Health Savings Account". At the bottom, there is an "Additional Resources" section with links to "Choosing the Right Medical Plan", "Choosing the Right Dental Plan", and "Frequently Asked Questions".

MEICAL	How it Works	Benefit Summary	FAQs	Additional Features	Custom Benefit Builder Information
Custom Benefit Builder HRA	How it Works	Benefit Summary	FAQs	Additional Features	Custom Benefit Builder Information
Custom Benefit Builder HRA (AZ CMG)	How it Works	Benefit Summary	FAQs	Additional Features	Custom Benefit Builder Information
Custom Benefit	How it Works	Benefit	FAQs	Additional	Custom Benefit

# Opening My HSA Bank Account



## During Open Enrollment: 10/8 – 10/31/2012

- Visit the ORNL Enrollment site:  
<https://ornl.employee.com>
- Make your medical plan choice
- Choose Cigna ChoiceFund w/ HSA
- You are directed to the Health Savings Account Bank Application link.
- Complete your bank application

## • Beginning 09/01/2012:

- Visit [www.myCignaPlans.com](http://www.myCignaPlans.com)
- Review medical plan choices
- Estimate costs

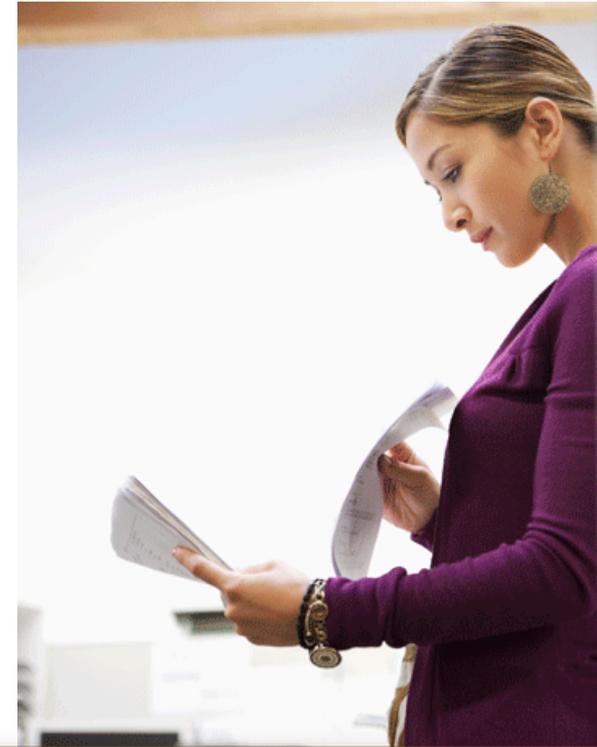


HSA Bank Application: **Available 10/8/2012**

# HSA Bank Account Process



- **Before opening the account, JPMorgan Chase will:**
  - Verify your identity (required by the Federal government).
  - Notify you if additional documentation is needed to verify your name, Social Security number or address
- **Bank Account Opens**
  - JPMorgan Chase will send your HSA information and a debit card within 7–10 days of the start of the plan year or the verification of your identity (whichever is later)
- **Debit cards are mailed separately from JPMorgan Chase**



**JPMorgan Chase cannot open an HSA until it is able to satisfy the requirements of the Federal government.**

# Resources



- **ORNL:** All resources are located at: <http://benefits.ornl.gov/2012>
  - Access from home or work: *meetings schedule, videos, slides, Q&As, resources*
- **Cigna:** [www.mycignaplans.com](http://www.mycignaplans.com) Choice Fund HSA and Open Access Plus comparisons
  - ID: 2013ORNL    Password: cigna
  - Pre-Enrollment Line: 800-401-4041 (24/7)
  - Cigna Customer Service: 800-244-6224 (24/7)
- **Express Scripts:** [www.medco.com/ornl](http://www.medco.com/ornl) (*available 9-10-2012*)
  - Express Scripts Enrollment Line: 866-749-0097 (*available 9-10-2012*)
- [www.irs.gov](http://www.irs.gov) (IRS Publication 502 Medical & Dental Expenses)

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# Questions?