

Considering the

Consumer Directed Health Plan with Health Savings Account (CDHP with HSA)

Is this medical plan your best value?

BROWN

At Brown University, we are committed to providing a variety of health and wellness offerings to meet your specific needs and budget.

One of the most important benefits to consider is medical coverage, and we continue to offer several options from which you can choose: the Core PPO Plan, the Premier PPO Plan or the CDHP with HSA. All plans are through Blue Cross Blue Shield (BCBS).

It's important to understand there is no such thing as a "best" plan. Each plan includes features that makes it the "best" fit for different personal situations. However, we also know understanding the differences can be confusing.

Despite the higher deductible for the CDHP with HSA, you may find it offers you the best opportunity to spend less on health care when you take into account both up front premiums and out-of-pocket costs.

The Basics of the CDHP with HSA

At the highest level, here is how the plan works:

- You'll pay the lowest premiums—in other words, you'll see the least amount of money come out of your paycheck.
- When you receive medical care, instead of paying a copay (flat dollar amount), you'll pay the full cost of care until you meet your annual deductible ($2,000 for individual coverage or $4,000 for family coverage). Then, you and the plan share the cost of care until you reach the out of pocket maximum.
- You can visit any provider you choose and won't need a referral to visit a specialist; however, when you visit a doctor within BCBS's network, you'll pay less.

While it might feel daunting to pay more when you receive medical care, there are several important factors to consider:

- If you're eligible to receive a Health Savings Account (HSA) contribution, Brown will make an annual contribution of $500 per individual or $1,000 per family into your HSA to help you cover your deductible. (If you're newly eligible and enroll in the middle of the year, you'll receive a pro-rated amount).
- Once you reach your deductible, you'll only be responsible for a small percentage of the cost—called "coinsurance"—until you meet your out-of-pocket maximum. When you visit an in-network provider, your coinsurance is 10%.
- Once you hit your out-of-pocket maximum—$3,500 for individual coverage and $7,000 for family coverage—the plan will pay 100% of your expenses for the rest of the year.
- Perhaps most importantly, when you enroll in this plan, you get access to a Health Savings Account (HSA), which helps you set aside money on a tax-advantaged basis to pay for medical expenses now or in the future.

Understanding the CDHP with HSA

If you elect the CDHP with HSA, you'll gain access to an HSA, administered by Sentinel. You can use the funds in your HSA to pay for any eligible medical expense you choose.

You own your HSA, which means just like a bank account, you can contribute money to it to save for future medical expenses. The account is yours to keep and use for as long as you'd like, even if you change medical coverage, leave Brown University, or retire.

The HSA also provides a **triple-tax advantage**:

DID YOU KNOW?

Once your HSA balance reaches $2,000, you have the opportunity to invest your funds, like you would a 401(k) or 403(b) retirement account.



1 **It's tax-free when it goes in.** In 2027, you can contribute up to $4,500 for an individual or $9,000 for a family (Brown's contributions count toward these amounts) on a before-tax basis through the convenience of payroll deductions. Not only do you save money on qualified healthcare expenses, but your taxable income is also lowered.

2 **It's tax-free as it grows.** You earn tax-free interest on your money. The interest you earn even earns interest!

3 **It's tax-free when you spend it.** When you spend your HSA funds on qualified healthcare expenses, you don't pay any taxes. That means you're saving money on things like your medical, dental, and vision coinsurance and deductibles.

Need Help Deciding if the CDHP with HSA Is Right for You?

No one knows for certain what health care needs may arise in the future. However, by looking at your current medical plan usage, health needs, family needs and financial status, it's possible to come up with an estimate of future costs. Check out the examples on the following pages to learn more about how employees with different medical needs and life situations might choose their medical plan.

LEARN MORE

To learn more about the HSA, check out 2027 Medical Plans.

Examples

Do any of these scenarios "sound" like your personal situation?



Meet Kayleigh

Kayleigh is **25 years old** and **single**. She's a full-time employee making **$45,000 per year**. She's in pretty good health and, aside from routine checkups, doesn't visit the doctor much. She anticipates a few modest medical expenses over the coming year for minor illnesses like a fever or sinus infection. Which plan might Kayleigh choose?

Medical Coverage Type	CDHP with HSA	Core PPO Plan	Premier PPO Plan
Annual Payroll Contributions	$423	$1,040	$1,193
1 Well Visit	$0	$0	$0
1 PCP Visit (Non-Preventive)	$150*	$25 copay	$20 copay
2 Urgent Care Visits	$500*	2 x $45 copay = $90	2 x $40 copay = $80
1 Generic Prescriptions (12-Month Supply Retail)	$180*	12 x $10 copay = $120	12 x $10 copay = $120
X-Rays	$300*	$300*	$250*
Total Out of Pocket Cost for Health Care Services	$1,553	$1,575	$1,663
Brown HSA Account Funding	($500)	$0	$0
Kayleigh's Total Costs	**$1,053**	**$1,575**	**$1,663**
Accumulation Towards Individual Deductible Accumulation Towards Individual Deductible/Deductible	**$1,130*/$2,000**	**$300*/$750**	**$250*/$250**

**Reflects payments towards deductibles, as well as coinsurance once deductibles are met.*

Because of the annual contribution Brown makes to HSAs, the CDHP with HSA looks to be the better choice for Kayleigh.

These are examples only—coinsurance amounts are based on average cost of services (your costs may be different). All costs assume in-network coverage.

Examples (cont'd)



Meet Andrew

Andrew is **48 years old** and **single**. He's a full-time employee making **$55,000 per year**. Andrew has a chronic condition—diabetes—so he has to plan for several brand name prescriptions each year. He is also planning to have a surgery that will require a few days at the hospital and physical therapy to recover. Which plan might be best for Andrew?

Medical Coverage Type	CDHP with HSA	Core PPO Plan	Premier PPO Plan
Annual Payroll Contributions	$508	$1,560	$1,789
1 Preventive Care Visit	$0	$0	$0
1 Non-Preventive Visit to His Primary Care Physician (PCP)	$150*	$25 copay	$20 copay
2 Urgent Care visits	$500*	2 x $45 copay = $90	2 x $40 = $80
6 Brand Name Prescriptions (30-day Supply, From a Retail Pharmacy)	$300*	6 x $30 copay = $180	6 x $30 copay = $180
1 Outpatient Surgery	$2,145*	$1,875*	$250*
3-day Hospital Inpatient Stay	$405*	$880*	$0
10 Physical Therapy Visits	$0	$450 copay	$400 copay
Total Out of Pocket Cost for Health Care Services	$4,008	$5,060	$2,719
Brown HSA Account Funding	($500)	$0	$0
Andrew's Total Costs	**$3,508**	**$5,060**	**$2,719**
Accumulation Towards Individual Deductible Accumulation Towards Individual Deductible/Deductible	**$2,000*/$2,000**	**$750*/$750**	**$250*/$250**

**Reflects payments towards deductibles, as well as coinsurance once deductibles are met.*

Based on Andrew's estimate, the Premier PPO Plan may be a better choice than the CDHP with HSA because of the medical expenses he expects to incur.

These are examples only—coinsurance amounts are based on average cost of services (your costs may be different). All costs assume in-network coverage.

Examples (cont'd)



Meet Kai

Kai is **39 years old**, makes **$80,000 per year**, and **covers himself and his wife** on his medical plan. He knows he and his wife will both have some medical expenses coming up, including an outpatient surgery. Which plan might be best for Kai?

Medical Coverage Type	CDHP with HSA	Core PPO Plan	Premier PPO Plan
Annual Payroll Contributions	$3,783	$8,152	$9,348
2 Preventive Care Visits	$0	$0	$0
1 Outpatient Surgery	$4,800*	$2,550*	$500*
2 Generic Prescriptions (2-Month Supply Retail)	$60*	2 x 2 x $10 copay = $40	2 x 2 x $10 copay = $40
1 Urgent Care Visit	$25*	$45 copay	$40 copay
Total Out of Pocket Cost for Health Care Services	$8,668	$10,787	$9,928
Brown HSA Account Funding	($1,000)	$0	$0
Kai's Total Costs	**$7,668**	**$10,787**	**$9,928**
Accumulation Towards Individual Deductible Accumulation Towards Individual Deductible/Deductible	**$4,000*/$4,000**	**$1,500*/$1,500**	**$500*/$500**

**Reflects payments towards deductibles, as well as coinsurance once deductibles are met.*

Choosing the CDHP HSA could save Kai $2,260 compared to the Premier PPO Plan ($3,119 compared to the Core PPO Plan).

These are examples only—coinsurance amounts are based on average cost of services (your costs may be different). All costs assume in-network coverage.

Examples (cont'd)



Meet Sophia

Sophia is **53 years old**, makes **$150,000 per year**, and **covers herself, her husband, and her two children** on her medical plan. She expects they will have fairly high medical expenses in the coming year. Which plan might be best for Sophia?

Medical Coverage Type	CDHP with HSA	Core PPO Plan	Premier PPO Plan
Annual Payroll Contributions	$5,258	$10,886	$12,483
4 Preventive Care Visits	$0	$0	$0
4 Brand-Name Prescriptions (Each 1-Month Supply Retail)	$200*	4 x $30 copay = $120	4 x $30 copay = $120
2 Generic Maintenance Prescriptions (Each 12-Monthly Supply Mail Order)	$240*	2 x 4 x $20 copay = $160	2 x 4 x $20 copay = $160
4 Non-Preventive PCP Visits	$600*	4 x $25 copay = $100	4 x $20 copay = $80
2 Specialist Visits	$450*	2 x $45 copay = $90	2 x $40 copay = $80
2 Urgent Care Visits	$500*	2 x $45 copay = $90	2 x $40 copay = $80
Complex Imaging	$500*	$500*	$500*
Total Out of Pocket Cost for Health Care Services	$7,748	$11,946	$13,503
Brown HSA Account Funding	($1,000)	$0	$0
Sophia's Total Costs	**$6,748**	**$11,946**	**$13,503**
Accumulation Towards Individual Deductible Accumulation Towards Individual Deductible/Deductible	**$2,490*/$4,000**	**$500*/$1,500**	**$500*/$500**

**Reflects payments towards deductibles, as well as coinsurance once deductibles are met.*

Based on her estimate, the CDHP plan with HSA will save Sophia and her family $5,198 compared to the Core PPO Plan and $6,755 compared to the Premier PPO Plan! Note the amount she is saving in annual contributions as well.

These are examples only—coinsurance amounts are based on average cost of services (your costs may be different). All costs assume in-network coverage.

Want Added Protection? Consider Critical Illness, Accident and Hospital Indemnity Insurance

If you're nervous about the possibility of having a large out-of-pocket expense with the CDHP, our voluntary Critical Illness, Accident and Hospital Indemnity Insurance can help you mitigate that risk:

- Critical Illness Insurance can help you fill a financial gap if you or a family member experience a severe, life-threatening illness. When diagnosed with a covered critical illness, you'll receive an immediate lump-sum benefit that you can use any way you choose, such as treatment, medications and ongoing living expenses (housekeeping, transportation, daycare and more). You can elect coverage for you, your spouse or your child(ren).

Examples of Covered Illnesses

- Heart attack
- Stroke
- Coronary artery disease
- Kidney failure
- Alzheimer's Disease
- Major organ transplant

- Accident Insurance provides benefits to help cover the costs associated with unexpected bills due to an accident. When a covered accident occurs on or off the job, you'll receive a check for covered injuries to spend as you see fit, such as on uncovered medical expenses or ongoing living expenses. You can enroll in coverage for you, your spouse or your child(ren).

Examples of Covered Injuries

- Broken bones
- Burns
- Torn ligaments
- Concussions
- Eye injuries
- Ruptured discs

- Hospital Indemnity Insurance is a supplemental health product that may provide benefits if you or your covered dependent visit a hospital or intensive care unit (ICU) due to a covered illness or injury. The benefits paid can be used for health insurance deductibles, transportation, childcare, or any other recovery expenses.

Voluntary benefits are offered through Lincoln Financial. To learn more, contact Lincoln Financial at **800-423-2765** and mention ID: **BROWNUNIVE**.

Still have questions about the CDHP with HSA?

Contact Blue Cross Blue Shield at **855-704-5366.**

BROWN