

## How does a high deductible health plan work?

With a high deductible health plan, your preventive care is covered in full. Other care and services are paid for using a funding account and contribute toward your annual deductible. Once you reach your deductible you will only pay a coinsurance (a percent of the total charges – see your plan benefits for your coinsurance percent). Remember, your out-of-pocket maximum protects you – once you reach that maximum, your care is covered.

*Here is an example of how it works*

Sue enrolled in a high deductible/HSA plan and begins her plan year on January 1.

Her health plan includes:

- \$1,300 deductible – the amount Sue pays before she begins paying coinsurance
- \$3,000 out of pocket maximum
- 20% coinsurance when she seeks treatment with an in network doctor or hospital.

Her HSA account:

- Her employer contributes \$500
- Sue contributes \$1,000 into her account tax free
- Total of \$1500 in her HSA

The care she needed:

Sue needed health care services that totaled \$2,700.

Here is how the plan and the HSA account will work together to pay for your healthcare expenses:

<b>Sue's HSA funds</b>	<b>\$1,500</b>
Her total bill for her health care expenses:	\$2,700
Sue must pay her deductible of \$1,300:	-\$1,300
The balance for the cost of her services is:	\$1,400
Because Sue paid her deductible, and her coinsurance is 20%, that means that the health plan pays 80% of the \$1400 remaining in expenses.	\$1,120
Sue must pay the remaining 20% which is her coinsurance	\$280
After paying her \$1300 deductible, she has some money left in her HSA:	-\$200
Sue has to pay out of pocket:	\$80

This example is for illustrative purposes only – does not reflect true charges for any situation