

Understand Your Health Plan – Consumerism Series Episode One

Jana: Welcome to our healthcare consumerism webinar. We're going to be talking about three different topics. This is the first in a series, the first topic is going to be understanding your health plan. My name is Jana Dalton and I'm here with my colleagues Jeff Kantorowski and Joann Trainor. As 65% of our groups have now migrated over to a consumer driven health plan, more people are having to develop skills in becoming health care consumers. Cigna offers a lot of tools to allow you to follow the progress of your claims and ways to get more involved in your health care experience. While these tools can be very helpful it can be a bit overwhelming if you don't know where to go and when to go there. We want to help you better understand the tools available at your fingertips so you can become a better and more confident and even savvy healthcare consumer. This presentation will touch on ways to become better consumers, but let's first start with why, why should I want to become a better consumer of healthcare?

Jeff: Well first of all, when you're better educated about the costs of the services and your prescriptions that you're getting, you'll be able to find the lowest cost options and find the best level of care for your actual situation.

Joanne: And I agree Jeff, the more knowledge that we have of our health plan, how it works and the tools available through myCigna.com we will become more informed about decision making to find a facility that may be lower costing to have an MRI versus a hospital or to engage with your doctor regarding switching to generic drugs versus a more expensive brand-name drug.

Jana: Making these decisions, certainly with the quality of your healthcare involved but also entering cost into the decision it can help to steer the market cost of facilities as well as prescription drugs.

Jeff: Yeah, if everyone in the country started asking these questions about the cost and the quality of their prescriptions and their medical services that they need and utilizing health care accordingly then healthcare costs in the country could come down. You know basically just reduce the supply and demand equation.

Joanne: And by engaging with our doctors we become a partner in our own healthcare. We can become more informed about ways to prevent illnesses and also to help manage chronic diseases.

Jana: So certainly yes, learning more about preventive activities such as exercising more and improving your diet, becoming more informed about how you can make personal decisions. that can curb the onset of chronic diseases. So hopefully it'll prevent you from getting sick in the first place and then certainly lessening the chances associated with those of needing more surgeries and long-term prescription drugs.

Jeff: Yeah, and part of the consumerism equation is knowing what your options are in finding lower-cost options for providers. I remember being in a meeting in Concord with a bunch of employees and one was talking about how expensive it was to get a lab done at the hospital thinking that was their only option when another employee piped up right then and said well, if you look on myCigna.com you can find that there's LabCorp facilities in Concord. There's one right up the street and it's a much lower cost option. It was great to see that those employees were kind of coaching their colleagues to find a lower-cost option.

Joanne: And I agree, I've had the same sort of experience being in open enrollment meetings and it's nice to see. And I think also year after year that we see that people are becoming Savvier and they do know a lot more about their healthcare and making a vested interest.

Jana: Yeah, there was a gentleman I met in Raymond and he had done some research. He had to get an MRI done on his knee I believe, and he did some research on myCigna.com, found that there was a local facility about the same distance away from him as the hospital was and he decided to go there. It cost him and his plan a lot less money to get that MRI done, he had a very pleasant experience, it was brand-new equipment and he was very grateful that he knew about that and was able to make a decision in that regard. So people do become more consumers of their healthcare. I know we are hearing more and more questions about exactly how does the plan work? How can I understand the different phases of the plan and making sense of your deductibles and the terms of coinsurance and out-of-pocket maximums? So, we'd like to go into some more detail about that and help make sure that you understand how those two phases of your plan work and add together to equal your balances in your...

Jeff: Out-of-pocket cost.

Joanne: Okay, so starting with deductible. Deductible, it always seems to be pretty scary the first-time folks hear it but it's not a new term and if people own cars, they have a house they have deductibles, they're just not realizing and maybe they've not had the need to use it. They've not had an accident or had that tree to fall on their house and so had to call had to call their insurance and realize that they have to pay the first portion of the deductible. So, it's the same it's the same concept, the same principle. So, the deductible pays the first portion of coverage and that is paid by you the insured and it's paid at hours the claims are assessed at. 100% of the Cigna contracted rate. So, there is a billable rate, there's a billed rate that a doctor you know does submit to Cigna but because they've agreed to this negotiated discount the lesser amount is to what you would pay of that 100%. During this phase let's just say for example, you go to the doctor the doctor's bill is \$300 but the contracted rate is 150 dollars, so that is what is going to be applied to your deductible. So, you may get a bill, but always remember to check that explanation of benefits to make sure that you are paying exactly what you owe.

Jeff: So, after the deductible has been met then you have what's called coinsurance. And coinsurance is when the health plan will pay a larger percentage of the cost of the claim but then you must pay a small percentage as well. On medical services the plan will pay

80% of the Cigna cost, you'd be responsible for 20% of that cost and for a prescription the plan will pay 90% of the cost of the drug and you'd be responsible for 10% of the cost of the drug but no more than \$75. So those expensive prescriptions you're not going to be paying 10% of the full amount you'll pay 10% up to \$75 and that would be the cap that you'd be responsible for.

Jana: You would continue to pay coinsurance up until potentially reaching your out-of-pocket Maximum. This is the most you're going to pay out of your pocket for the plan year so it's the culmination of your deductible and then your coinsurance. So, when and if you reach your out-of-pocket maximum, that means you will no longer have out-of-pocket expenses. Any covered medical or prescription drugs at this point forward for the rest of the plan year will be covered a 100% by the plan. Now another way for you to be able to keep track of this information on your own, is by using the tools available at myCigna.com.

Jeff: Yeah, myCigna.com really has a great deal of information for you. You can track all your claims and balances and information about those claims and how much was charged and how much you owe. So it's really important that you log on to myCigna.com before you pay any bill and review the claim you and your family members, whether it's a medical claim or a prescription or a dental claim, if you're on a SchoolCare Cigna dental plan you look at that explanation of benefits and see what the charges were and then what amount you may actually owe out of pocket if it wasn't covered by the choice fund for you.

Joanne: Okay, another tool is estimating health care costs. What you can do is on the website, enter in procedure. So maybe you're looking for an MRI on your knee or your back or you want to find out the cheapest cost of a prescription and where is the best retail pharmacy that you can go to drive the deepest discount. So, you can use it for all of those kinds of procedures and medications as well.

Jana: Also, you'll be able to find a doctor, a dentist or a facility. And when you're logged into myCigna it knows what plan you're on, so it'll be able to discern what plan that you are and what providers are in your network. So, you'll be able to search in network providers to be able to determine whether your current provider is in network or to be able to search for providers within a certain geographic area to determine who you might want to go to who provides in network providers. Also, from this menu you can access telehealth. So, if you do have a doctor's appointment, you want to take advantage of the convenience of using telehealth for replacing really a doctor visit, you have the convenience of doing that from your own home. You'd be able to find telehealth under find a doctor dentist or facility menu item.

Jeff: Are there certain times when you'd highly recommend participants to log on to myCigna.com?

Jana: Absolutely

Jeff: [Laughs] Absolutely there are. The most important time really that you want to

go on is in the spring time to complete your health assessment there on myCigna.com especially if you are on the yellow plan with a choice fund. By completing that health assessment between June 1st and July 31st that activates the choice fund for you and your family.

Joann: Okay, another reason or a time that you would want to go in to myCigna.com is when you get a bill from your doctor. So, you don't want to automatically pay that bill. We want you to realize that it generally takes about two weeks for the claim to process through Cigna. So, you may get the bill five days after you walked out of the doctor's office so don't pay it until you can see the explanation of benefits on myCigna.com and see that they match, and it shows exactly what you should be paying.

Jeff: Yeah, I would echo that Joanne. I get many calls and emails from people asking why am I getting a bill because I have a choice fund? And that you know what's happened literally is that the claim hasn't processed through Cigna and paid but the provider has sent out a bill to the patient. So, it's very important that you log on to myCigna.com, look at the explanation of benefits before you pay any bill out-of-pocket.

Jana: Cigna also provides a free app that you can download to your iPhone or your Android device, so you'll be able to track all this information right from the convenience of your smartphone. So, another thing that's available that a lot of folks take advantage of our flexible spending accounts. These flexible spending accounts can certainly complement a consumer-driven health plan but sometimes it causes confusion because people aren't sure when they use your flex spending account card or when they should just use their Cigna card. So, we want to go through some of those details and help you understand how the dynamics work and which should be utilized first.

Joanne: Well, we talked about flexible spending accounts just remember that's a separate pot of money from what the choice fund is. And I know at least 60% of our folks who are on consumer different plans have the yellow plan with the choice fund and that's embedded. It's an integral part of the choice fund account and that gets used up first so you'd never want to pay a claim until you know that everything's priced through Cigna and that all your choice fund dollars are used up first.

Jeff: Yeah, so to use an FSA or a flex spending account, that is like another pot of money or you when you'd reach into your own pocket to pay for a bill. So, after the choice fund has been exhausted and you get a bill and you know you owe that money because you've looked on myCigna.com that's when you can use your flex spending account. It's external to the plan. You can use it for any eligible medical expense, eyeglasses, dental expenses etc. but know that only charges that apply towards your out-of-pocket maximum when you pay for them on your flex card are going to apply to that out-of-pocket maximum. If you get eyeglasses or dental services that don't accumulate toward your out-of-pocket maximum, then it's not going to count even though you've used your flex to pay for it. You can use the Flex account to pay for any eligible medical expenses, but you just need to keep track of which are going to apply to your out-of-pocket and which don't.

Joanne: Right, and to echo that's sometimes I remind people look at your summary of benefits if the services on the summary of benefits it will contribute to your pocket maximum, otherwise it doesn't.

Jeff: Yeah good point.

Jana: Yeah, and a lot of people try to figure out how much money they should put on their account. We get asked all the time how much should I put aside? It's really the best way for you to just use a conservative estimate of how much you expect to spend out of your own pocket. There are some tools on myCigna where you can pull up a report from last year's expenses and get a sense from there so you can get an idea of how much you spend on your medical expenses but estimate conservatively.

Joanne: And the flexible spending it is a great vehicle to set aside funds. Because personally I feel to try to manage a high deductible health plan without no extra pot of money on the side or savings, whether you put it in a savings account or put it on a flexible spending it's really important an important vehicle. Okay so to use the flexible spending account the election is made on a pre-tax basis, so you will avoid both federal and FICA taxes. The average tax savings would be \$27 for every \$100 that you set aside in a flex spending account. Please note this is very important, the elections are not automatic so every year you must re-enroll. I've witnessed people saying why do I have to fill this out every year? I do the same amount every year, why can't they just say duplicate it? It's an IRS regulation that you need to fill out a new form every year for your employees up this money, so it is a requirement so make sure you make that election annually.

Jeff: Yeah so one great thing about the flex spending account though is the full amount that you elect is available on the first day of the plan year for your use. So, if you had selected \$2,000 to be put aside on your flex then that full \$2,000 is funded the first day of the plan year and then it's deducted in equal installments throughout the payroll year from your payroll. If you end up paying out of pocket you can always get reimbursed from your flex spending account just by submitting a form and the forms are usually available off the administrator's website.

Jana: Excellent and generally you get two debit cards is usually what was given away. And you can use your FSA on this by the subscriber, you're legally married spouse and any dependents up to the age of 26. So, there are some action items you can tell as you're becoming a consumer of health care, there are certain things that you have to do, actions you need to take. So, we're going to talk a little more about some other actions. Jeff what do you recommend people start off knowing what they need to do?

Jeff: Well the first thing that you really need to be aware of, especially if you're on the yellow plan with the choice fund, is to log into myCigna.com each year during open enrollment season between June 1st and July 31st to take that health assessment to activate the choice fund for you and your family. You must do that each year during that time frame.

Joanne:

Again, remember when you do get those bills from your providers always, always, always check your explanation of benefits first either on myCigna.com or to use the app on your smartphone.

Jana: Using those two devices as well the Cigna.com and your app, track your deductibles as well as your out-of-pocket maximum so you can keep an eye on how your balances are tracking throughout the year and you'll have less surprises knowing where your deductible, when you've met your deductible and when you're meeting your out-of-pocket maximum.

Jeff: Yeah, another real good resource for you to use is the SchoolCare wellness portal. Log in through the schoolCare.org website look for the good-for-you link and click on that on that will take you right to the login portal. There you can participate in any of the great wellness programs because prevention could have a positive effect on your overall health and well-being and that's definitely what we want.

Joanne: And don't forget to utilize the flex spending tracking website from your plan administrator site. You want to make sure that you're tracking the balance on your FSA and to use it as a planning tool for the following year. Maybe you didn't add enough, or you put too much on and then you can make those informed decisions as to how you should plan for that for the following for the future.

Jana: Thank you so much for listening to our presentation. We hope you've learned some new tips on utilizing the tools available at your fingertips. If you haven't already used some of these tools please do so right away while they're fresh in your minds. While you're at myCigna.com, please explore other options there as well. There are a lot of other tools available that you may also find helpful. You are becoming a student of health care consumerism so have patience with yourself as you learn. You may not have chosen this education, but it will serve you well as you develop a deeper understanding of your healthcare situation. Now note that there will be another webinar coming up, webinar number two and it'll be talking about becoming your own advocate so please tune in to that as well and have a wonderful day!