High-Deductible Health Plans

Frequently Asked Questions

What is a High-Deductible Health Plan?

A high-deductible health plan (HDHP) is a medical plan that must conform to established federal guidelines, such as minimum deductible amounts and maximum out-of-pocket costs and which optional benefits are allowed. HDHPs are the only plans that allow a member to contribute to a health savings account. HDHPs typically have a lower premium and a higher deductible than many traditional HMO plans. Until a member meets the deductible, a member will pay 100 percent of the out-of-pocket cost (except preventive care) for the services they receive. Once deductibles are met, all services are covered at the applicable cost share amount until the out-of-pocket maximum is met. The payments for covered services accumulate toward the annual out-of-pocket maximum. All non-preventive services in an HDHP accrue toward the deductible until it's been met. Please note, if your plan includes any optional benefits, the cost sharing for most optional benefits does not apply towards your deductible or annual out-of-pocket maximum.

Members enrolled in large group HDHPs and diagnosed with certain chronic conditions will receive specific services and items without having to first meet their deductible. Plan specific copayments and coinsurance may still apply. For more information, including the list of services and conditions, visit **irs.gov/pub/irs-drop/n-19-45.pdf** IRS Notice 2019-45.

What are the different deductibles for an HDHP?

There are three types of annual deductibles with an HDHP. All annual deductibles apply toward the annual out-of-pocket maximum.

- **Individual/self-only:** An individual who enrolls by themselves must reach the individual deductible.
- **Individual family member:** An individual within a family must contribute to the individual family member deductible, which is equal to or greater than the IRS minimum* for an individual within a family, until the individual family member deductible is met or the entire family deductible is met, whichever comes first.
- **Family:** Individual family member deductibles contribute to the family deductible. This deductible is met when any combination of the family members' out-of-pocket cost for covered services equals the family deductible. Once the family deductible is met, no individuals within the family are required to contribute further to the deductible, even if they haven't met the individual family member deductible amount.

What is an annual out-of-pocket maximum?

A member's out-of-pocket expenses for deductibles, copayments, and coinsurance count toward the annual out-of-pocket maximum. Monthly premiums do not count toward out-of-pocket maximums. Also, if your plan includes any optional benefits, the cost sharing for most optional benefits does not apply towards your deductible or annual out-of-pocket maximum. Once a member or family reaches the out-of-pocket maximum, the plan covers 100 percent of all covered services for the remainder of the year.

* The IRS sets the minimum deductible annually, so it may change from year to year. Values reflect current IRS requirements.

Sutter Health Plus
Your Health Plan

What is a health savings account?

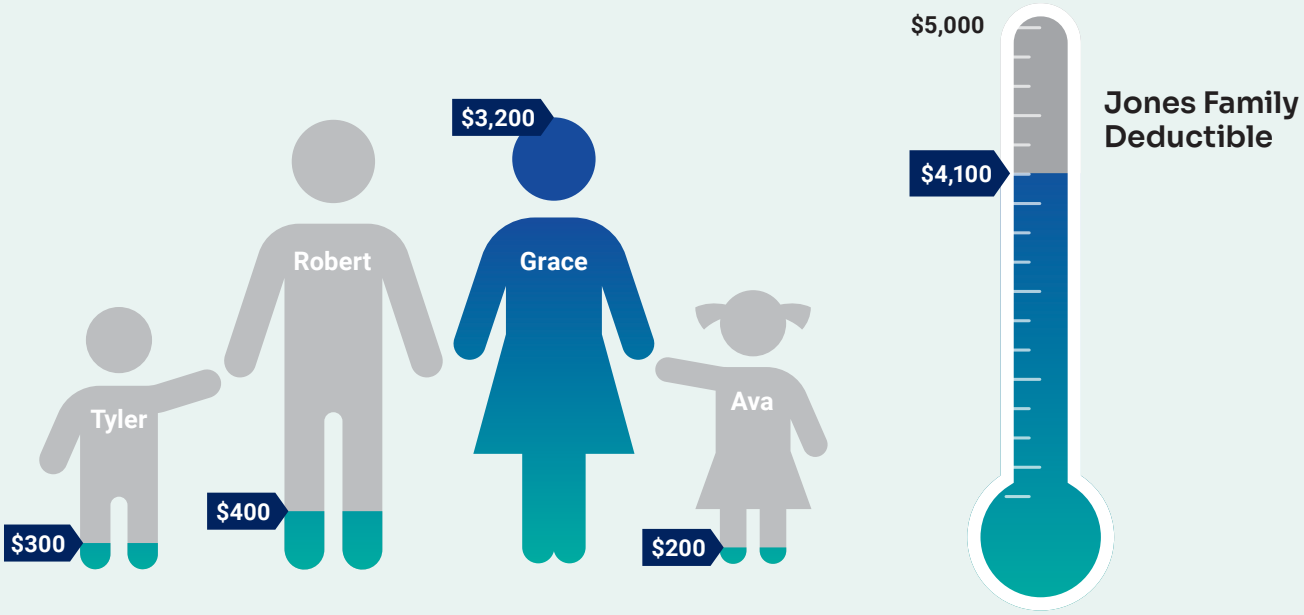
A health savings account (HSA) is a tax-exempt trust or account set up with a qualified HSA trustee to pay or reimburse certain medical expenses a member incurs throughout a calendar year. A member uses money from the account to pay for qualified medical expenses, including dental, vision and medical deductibles, copayments and coinsurance. For more information, visit **irs.gov/pub/irs-pdf/p969.pdf**.

Does Sutter Health Plus offer HDHPs and HSAs?

All of the Sutter Health Plus HDHPs are HSA-compatible. An employee interested in enrolling in an HSA should speak to his or her employer or find a bank, financial institution or investment firm registered to offer HSAs.

How Does an HDHP Work for the Jones Family?

A family of four (Tyler, Robert, Grace and Ava) purchased an HDHP, which has a **$3,200** individual family member deductible and **$5,000** family deductible. In March, Robert spent **$400** on diagnostic services and Grace spent **$3,200** on hand surgery. Tyler spent **$300** on lab services and Ava spent **$200** in physician fees. Together, the family spent **$4,100** on health care services.



In April, Grace and Robert were admitted to the hospital with the flu. Grace already met her individual family member deductible of **$3,200**, so she's only responsible for her plan's share of cost (i.e., copay or coinsurance) for the hospitalization. Robert hasn't met his individual family member deductible or family deductible, so he's responsible for **100%** of the hospitalization until the remaining **$900** of the family deductible is met. When the family as a whole spends **$5,000**, the family deductible will be met.