



# 2016

## PPO \$aver Plan



Long Beach Unified  
School District

# The PPO \$aver Plan — a Medical Plan to Help You Take Control

This plan helps you take charge of your health and wellness by empowering you as the health care “consumer.” This guide will help you understand the PPO \$aver Plan, so take some time to read about it and see if it’s right for you.

The PPO \$aver Plan has some things in common with our existing plans, as well as some differences. The PPO \$aver Plan makes purchasing health care like buying any other product or service. It puts the control of health care spending — and the responsibility for managing your money — entirely in your hands.

*This means a whole new way of thinking about — and using — health care.*

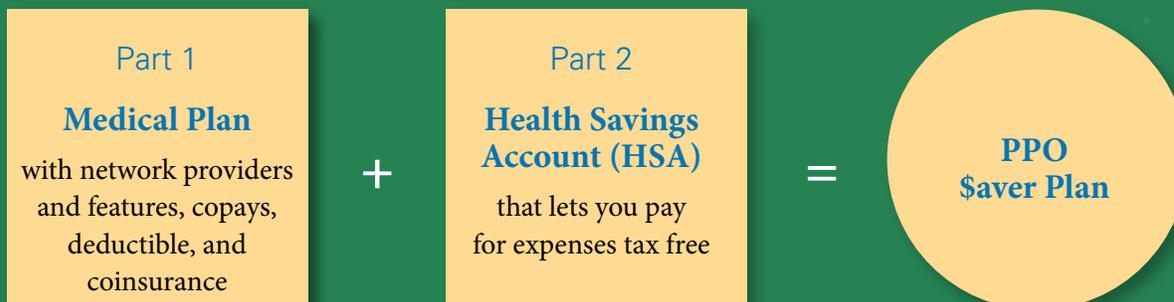
What’s the same?	What’s different about the PPO \$aver Plan?
<ul style="list-style-type: none"><li>• Comprehensive medical coverage</li><li>• Prescription drug coverage</li><li>• Blue Shield of California networks of doctors, hospitals, and pharmacies</li></ul>	<ul style="list-style-type: none"><li>• An annual deductible that’s higher than the PPO</li><li>• A unique savings account that you can use to pay for current and future health care expenses. And, the District will put money into your account, making it even easier to save for expenses!</li></ul>

The District is committed to providing all of our employees the tools and resources they need to live well. This plan offers another option to address the needs of our diverse workforce.



# PPO \$aver: A Two-Part Plan

The PPO \$aver Plan has two components:



Together, these components give you comprehensive medical coverage and complete control over which health services you buy and how you spend your money on health care.

Keep reading to learn more about the PPO \$aver Plan, how the two parts work together, and the plan's many special features.

## Part One: Medical Plan

Here's a quick look at how the PPO \$aver Plan works. Detailed comparison charts are included in your *2016 Benefits Guide*.

### PPO \$aver Plan



#### Deductible

You must pay an annual deductible before the plan begins to pay a portion of covered medical services. The only services that don't require you to pay a deductible first are covered preventive care in-network only.



#### Doctors/other providers

You can choose any doctor you want, and you can go to any hospital or pharmacy. However, you'll pay less when you use doctors who participate in the Blue Shield of California network, called in-network providers.



#### Maximum amount you pay each year

The plan includes an out-of-pocket maximum. This is the maximum amount you must pay out of your own pocket for coinsurance during the year. Once you reach the out-of-pocket maximum, the plan pays 100% of covered charges for the rest of the year. Your out-of-pocket maximum will be lower when you use in-network providers.



#### Paying for care

After you meet the deductible, when you receive non-preventive medical services, you pay a percentage of the cost of the service, and the plan pays the remaining percentage. This is called coinsurance. (You will need to pay the annual deductible first before coinsurance applies.)

## Part Two: Health Savings Account (HSA)

The unique PPO Saver Plan feature is that you can open a Health Savings Account (HSA) to pay for current and future health care expenses with tax-free dollars.

The District also contributes money to your HSA.

### START IT

- Once you elect the PPO Saver Plan, you can set up an HSA so you and the District can start contributing as of January 1, 2016.

### BUILD IT

- You and the District can contribute to your HSA, up to IRS limits. You add money through:
  - Pre-tax payroll contributions\*
  - Unused flex credits.
- You can change the amount you contribute on a monthly basis.

### USE IT

- You can use your HSA debit card to access the money in your HSA and pay for covered health care.
- Withdrawals from your HSA for qualified medical expenses are tax free!
- You don't need to provide receipts for reimbursement — you only need to save them for tax purposes.

### GROW IT

- Unused money in your account will roll over to the next year.
- Your account will earn interest and grow over time.
- Once your account reaches \$2,000, you may invest your HSA dollars in available mutual funds.
- Any interest and other investment earnings are tax free and yours to keep.

### KEEP IT

- You always own the money in your HSA – as well as the money the District adds.
- You can take the account with you if you leave the District.

*\* HSAs are tax-free under federal law. However, if you live in Alabama, California, or New Jersey, your contributions will not reduce your state taxable wages. After your initial contributions are taxed, your initial HSA funds will not be taxed again, although your earnings will be subject to state taxes and there is a penalty for withdrawals other than for eligible medical expenses unless you are age 65 or older. If you live in Alabama, contributions made through payroll and The District contributions are not taxed, but contributions made outside of payroll and any earnings are subject to state taxes.*

## How Much You Can Save in an HSA Each Year\*

\$3,350

Employee Only coverage

\$6,750

Employee + 1 or more coverage

The District will contribute to your HSA in 2016: \$500 for employee only coverage and \$1,000 for employee + 1 or more coverage.

*\* The IRS issues annual contribution limits on how much you and your employer can put into an HSA. This graphic shows the total amounts allowable for 2016 (This includes District and employee contributions.). If you are age 55 or older, you can contribute an additional \$1,000. The limits shown above include contributions from both you and the District.*

## Expenses You Can Pay Through Your HSA

You can use your HSA for out-of-pocket expenses that would generally qualify for the medical, dental, and vision expenses income tax deduction:

- Deductibles
- Office visits
- Prescription drugs
- Hospital stays and lab work
- Speech/occupational/physical therapies
- Dental
- Speech/occupational/physical therapies
- Dental

For a complete list, go to [www.blueshieldca.com](http://www.blueshieldca.com).

# HSA Rules

The HSA has many benefits. But, there are some important rules to remember:

## 1 Annual Limits

The IRS limits the amount you can contribute to an HSA each year. *These limits may change each year. It's your responsibility to make sure your contributions don't go over the annual limit. Tax penalties may apply to excess contributions. Consult your personal tax advisor for questions about your HSA and filing your tax returns.*

## 2 Domestic Partners

The IRS doesn't consider a domestic partner to be a spouse under federal tax law, regardless of state law exceptions. Therefore, you can't withdraw funds tax free to pay for your domestic partner's qualified expenses, unless your domestic partner is a "qualified tax dependent" as defined by the IRS.

## 3 Flexible Spending Account Participation

If you enroll in the PPO Saver Plan, you cannot enroll in the regular Health Care Flexible Spending Account (FSA). However, you can enroll in a Limited Purpose FSA. You can only use a Limited Purpose FSA to pay certain non-medical expenses, such as eligible dental or vision care.

**Important!** *If you currently participate in an FSA and want to enroll in the PPO Saver Plan for 2016, IRS regulations require that you use up your FSA balance by December 31, 2015. If you don't use your FSA balance, you won't be eligible to open an HSA until April 1, 2016.*

## 4 Not Everyone Can Open an HSA

All non-represented employees are eligible to enroll in the PPO Saver Plan. However, you **aren't eligible to open an HSA if you are:**

- A District retiree
- Enrolled in another medical plan (such as your spouse's/domestic partner's plan), unless it is a qualified high deductible health plan
- Enrolled in Medicare
- Eligible to be claimed as a dependent on another individual's tax return
- Are not a U.S. resident
- A veteran and have received veterans' benefits within the last three months
- Active military.

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## HSA Facts

# 100%

How much of your HSA balance rolls over year to year.

# 100%

How much of your HSA balance you can take with you if you leave the District.

# 100%

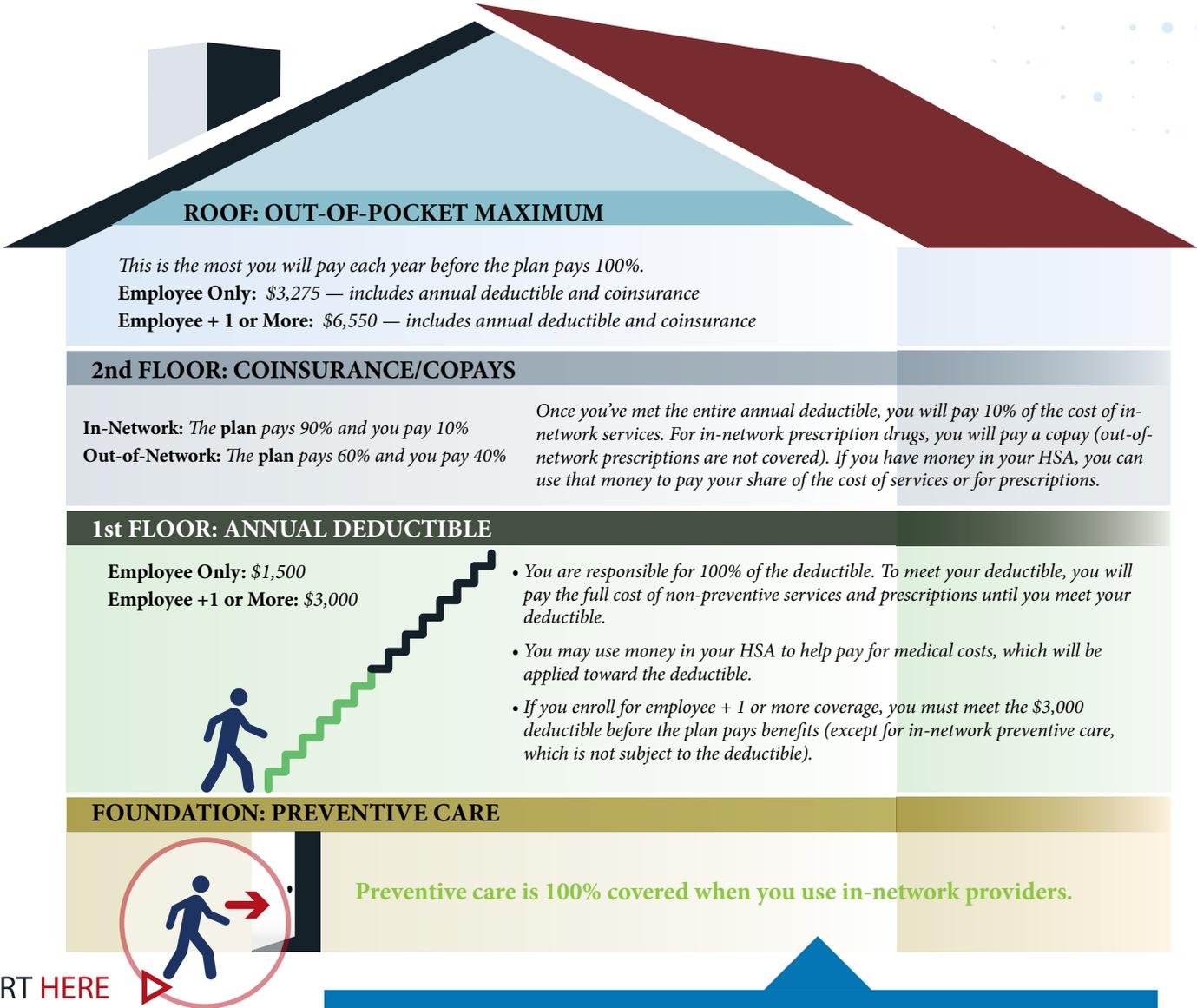
How much of the money in your HSA grows tax free.

# \$0

Taxes you pay on the money you contribute to the HSA or withdraw for qualified expenses.\*

# How the PPO \$aver Plan Works

To understand how the PPO \$aver Plan works, it might help to think of it as a house. Let's start at the foundation and work our way up.



**Foundation: Preventive Care**

A key to living well is staying as healthy as possible. That's why recommended preventive care is the PPO \$aver Plan's foundation. It's 100% covered in-network with no deductible required. All eligible preventive services — such as annual physicals, routine tests and screenings, and well-child care — are free to you when you use in-network providers.

Regular preventive care may help prevent and identify health issues before they become problems or chronic conditions, so be sure to get your free annual checkup and screenings such as mammograms.

# How the PPO \$aver Plan Compares to Other District Plans

The PPO \$aver Plan has many features in common with the other District medical plans. But there are also some important differences. The chart below gives you a general idea of how the plans compare. Be sure to check the details before making your final enrollment decision.

Feature	Blue Shield PPO \$aver	Blue Shield PPO	Blue Shield HMO	Kaiser HMO
<b>Provider Network</b>	Blue Shield of California	Blue Shield of California	Blue Shield of California	Kaiser HMO
<b>Annual Deductible</b>	Highest — but you can use money from the District to help cover a portion of this cost	Lower	None	None
<b>Out-of-Pocket Maximum (in-network)</b>	Highest	Lower	Lower	Higher
<b>Eligible Preventive Care (in-network)</b>	Covered at 100% — no deductible required	Covered at 100% — no deductible required	Covered at 100%	Covered at 100%
<b>Coinsurance/Copays (in-network)</b>	Lowest coinsurance: You pay 10% after deductible	You pay 20% after deductible	You pay a \$5 copay for most office visits	You pay a \$5 copay for most office visits
<b>Health Savings Account (HSA)</b>	Available Funds carry over year after year	Not available	Not available	Not available
<b>Health Care Flexible Spending Account (FSA)</b>	Not available — but you can participate in a Limited Purpose FSA for non-medical expenses like dental and vision care	Available — you make pre-tax contributions; funds are use it or lose it	Available — you make pre-tax contributions; funds are use it or lose it	Available — you make pre-tax contributions; funds are use it or lose it



# It's Your Money — Make the Most of It

With the PPO \$aver Plan, you're in full control of your health care purchasing. You decide when to use health care services, which services to buy, and how to pay for these services. You have many choices, and the responsibility for making smart decisions is entirely yours.

Here are some tips to make the most of your PPO \$aver Plan.



## Be a Smart Shopper.

To use the PPO \$aver Plan wisely, you must be willing to educate yourself about the real costs of health care and to be a smart consumer when you shop for health care services. If you're willing to do the work, this plan could save you money over time.

The most important thing is to shop for health care the same way you would shop for any other "big ticket" item, such as a car or major appliance. This includes doing your research and comparison shopping until you find the best "deal."

- Look for in-network services instead of going outside the network. You and the plan will pay less for the same care and services.
- Find the best medical services at the best rates in your area.
- Be your own advocate. Research care and treatment, including what has provided the best results. Talk with your doctor about what you find to see if there may be a more effective and less costly option.
- When your doctor prescribes a medication, be sure to ask for the generic and, if it's an ongoing medication, get a prescription for the mail-order program.



## Use Your FREE Preventive Care Benefits.

Prevention is the key to living well and controlling costs. Early detection of serious illnesses can dramatically increase your chances of being healthier and help you catch issues before they become a problem. The PPO \$aver Plan provides 100% coverage for in-network recommended preventive care.

PPO \$aver  
Tip: Schedule  
preventive care  
as soon as the  
plan year starts in  
January 2016.



## Budget for Out-of-Pocket Costs.

Just as you would budget for major expenses, like your rent or mortgage, set aside money in your HSA and personal savings for out-of-pocket health care costs you know you will have in 2016, including:

- **Deductible** – If you cover dependents, you will have to meet the family deductible before the plan will pay benefits.
- **Out-of-pocket expenses** – Look at the health care services you used in 2015 and determine if you anticipate your 2016 services will be about the same, more, or less.
- **Limited Purpose FSA** – If you open a Limited Purpose FSA in addition to your HSA, don't forget to track those contributions in your budget.