

■ Giving you more control over your healthcare dollars

■ Healthcare in the U.S.

■ How does a Consumer-Driven Plan work?

■ Taking Control

my health. my choice.
issue one

Welcome to the first in a series of newsletters designed to give you information about a new medical plan being offered beginning July 1, 2013. Please take the time to read and share with members of your family.

Consumer-Driven Health Plans - Giving you more control over your healthcare dollars!

If you are the typical American consumer, before you make a major decision, a large purchase or an investment of money or time, you do your homework so you are able to find the best solution possible for your situation. This same logic should then apply when it comes to your healthcare needs. And now it can. With Consumer-Driven Health Plans you are provided with the opportunity to become educated and active managers of your healthcare decisions.

Let's Take a Step Back

Time, science, and technology continually change our environment and how we live our lives. We adapt to new ideas and ways of doing things every day. Changes in healthcare are generally more gradual, but they do occur.

Back in the 1950s and 1960s, companies usually provided major medical plans (go to any doctor or hospital) to their employees and paid the full premium for the coverage. The 1970s and 1980s saw a change in philosophy with cost sharing between employer and employee. Another step in the evolution of healthcare was the introduction of HMO, PPO and Point of Service (POS) plans. These plans were the first steps in individuals taking control of their health and begin the process of managing their healthcare needs.



Healthcare in the U.S.

With advances in medical science and new prescription drug technologies we are now able to enjoy longer, and for the most part, healthier lives. But at what price? Healthcare in the United States is huge (around \$2.2 trillion in 2007) and is increasingly expensive. Who will pay the price? This is where a Consumer-Driven Health Plan fits into the next step of healthcare evolution.

A Consumer-Driven Health Plan is a new form of a medical insurance plan that creates an opportunity for you and your family to spend less on healthcare expenses, obtain the rewards of living a healthier life and keep the money you save.

This type of healthcare plan is different from anything you have known in the past, so it is natural to take a conservative and questioning approach. Starting with this newsletter and the ones to follow, we hope to answer your questions, make you more comfortable with Consumer-Driven Health Plans, and get you ready to make your enrollment decisions.

How does a Consumer-Driven Health Plan (CDHP) Work?

One type of CDHP has two components – a High Deductible Health Plan (HDHP) and a Health Savings Account (HSA).

High Deductible Health Plan - An HDHP is a medical plan with coverage that starts after a relatively large deductible has been met. The plan will then pay a percentage of your eligible expenses until your out-of-pocket maximum is met for the plan year. Once you reach your out-of-pocket maximum, your covered expenses will be reimbursed at 100% for the remainder of the plan year up to the Plan's maximum benefit.

Health Savings Account - The HSA is your own personal account funded by you and Washington College that earns tax-free interest or investment return*. You can use the dollars in your account to pay for out-of-pocket expenses from the HDHP (deductibles, co-pays, coinsurance, etc.) or you can leave the funds in the account to pay future eligible expenses – it's your choice.

Taking Control

With the freedom to choose how to use your healthcare dollars and to make the decisions that are best for you and your family – you are in control!

What's Next?

In Issue 2 of “my health. my choice.” look for information regarding your Health Savings Account. Topics covered will be:

- What it is
- How it works

**State laws may vary; however, most states follow Federal guidelines.*

