



HealthSense

CCStpa's consumer-directed health care plans



Consumer-directed health care is hot, hot, hot. Self-funded employers are turning to these plans in growing numbers. They're great solutions for offering affordable health care benefits, while enlisting employees to become more conscious of health care costs and share the responsibilities of managing health care spending. *CCStpa* is at your service when it comes to delivering a consumer-directed health plan that exceeds your expectations.

What's consumer-directed health care?

Consumer-directed plans start with a high-deductible health plan, and pair that coverage with a financial account the member uses to manage their health care expenses. All benefits must apply to the deductible, except preventive care. This includes prescription drugs. Often, preventive care services such as physicals, immunizations and well-child checkups are covered by the health plan at 100 percent, so members can stay on schedule with preventive care.

HealthSense: CCStpa's complete line of consumer-directed solutions

CCStpa offers a full complement of consumer-directed plans for TPA purchasers with our HealthSense products. We round out our consumer-directed choices with a suite of optional health and wellness programs that can help you further engage employees in their health.

With HealthSense, you get the flexibility to design a health plan customized to meet your needs and the needs of your employees. You and your employees still get the same great tools, and keep the same trusted, comprehensive network of doctors, clinics, hospitals and other providers.

Two to choose: HealthSense HRA or HealthSense HSA

You have two choices from CCStpa in the consumer-directed model. Whether you'd like to offer health care coverage with a health reimbursement account (HRA) or a health savings account (HSA), CCStpa has what you need. Each kind of plan has distinct advantages. We'll help you select the one that's right for your organization and your employees. Here's how the two plans compare.

HealthSense HRA gives you the freedom to design the plan you want — and pay as you go

Some employers prefer the HealthSense HRA because plan design is more open; the IRS does not regulate HRA high-deductible health plan limits. With HealthSense HRA, you can design a plan to meet your specifications.

The HRA's funding arrangement — to pay for claims as they are incurred — is another differentiator that appeals to some employers. What's more, employees may forfeit unused funds in their accounts if they leave employment — you'll pay only actual health costs incurred by employees.

The high-deductible health plan

For an effective HSA, CCStpa will recommend a health plan within IRS guidelines. For example, in 2005, the IRS requires for HSAs:

- Minimum \$1,000 in-network single deductible
- Minimum \$2,000 in-network family deductible
- Maximum \$5,100 in-network single out-of-pocket maximum
- Maximum \$10,200 in-network family out-of-pocket maximum

Each year the IRS may change the minimums and maximums based on the consumer price index.

HealthSense Plan Comparison Chart

	HealthSense with:	
	HRA	HSA
Who's eligible	<p>Anyone:</p> <ul style="list-style-type: none"> • Flexible plan design determined by the employer • Often combined with a high deductible plan, but there are no requirements or limitations 	<p>Anyone:</p> <ul style="list-style-type: none"> • Covered by a high-deductible health plan (limits are regulated by the IRS) • Not covered by any medical plan that is not a high-deductible health plan (dental and vision plans are not included in this restriction) • Not enrolled in Medicare • Not claimed as a dependent on another individual's tax return
Who contributes	Employer only	Employer, employee or both
Account funding	Funded on a national or promise to pay basis	Employer or employee must fund the account in advance
Account ownership	<ul style="list-style-type: none"> • Employer owns • Employee forfeits if employment terminates (you may allow continued access for eligible expenses) 	<ul style="list-style-type: none"> • Employee owns • Employee retains it if they leave or retire • Unused dollars can be used to pay for health care expenses in retirement
Health plan regulatory requirements	None for health plan design	Must be offered with a compliant high-deductible health plan
Tax advantages	Contributions are tax-deductible	Employers choose whether employees make their contributions on a pre-tax or post-tax basis. Post-tax contributions are tax-deductible at the federal level (and in some states). Pre-tax contributions reduce employers' and employees' tax liability.
Rollover	<p>Recommended</p> <ul style="list-style-type: none"> • Employers have the flexibility to determine if unused dollars from the HRA will roll over • Employers who choose rollover can decide how much of the HRA balance rolls over 	Mandatory
Investment potential	None	<ul style="list-style-type: none"> • Long-term savings potential • Account funds can be invested as the balance grows • Earnings stay in the account
Reimbursement	<ul style="list-style-type: none"> • Tax-free for employees when used to pay for eligible health care expenses • No reimbursements for non-eligible expenses 	<ul style="list-style-type: none"> • Tax-free for employees when used to pay for eligible health care expenses • Reimbursements for non-eligible expenses are subject to tax and penalty payments
Expenses eligible for reimbursement	<ul style="list-style-type: none"> • The employee's share of expenses that is eligible for benefits under the health plan, as defined by the Certificate of Coverage or Summary Plan Description • Employers have the option to choose whether HRAs will also cover other tax-deductible health expenses as defined in Section 213(d) of the Internal Revenue Code 	<ul style="list-style-type: none"> • The employee's share of expenses that is eligible for benefits under the health plan, as defined by the Certificate of Coverage or Summary Plan Description • Any other tax-deductible health expenses as defined in Section 213(d) of the Internal Revenue Code

HealthSense HSA offers the employee opportunity to invest

The HSA has no provision insisting employees “use or lose” their account dollars at year’s end. Any funds not used in a given year remain in the HSA, building a larger account for future health care expenses.

When the HealthSense HSA balance reaches \$4,500, employees may elect to transfer \$2,500 to an investment account. *CCStpa*’s relationship with Mellon Financial Corporation means that your employees will have access to investment options from The Dreyfus Corporation, one of the nation’s leading mutual fund companies. Choices include equity, balanced and fixed income options from Dreyfus.

Your *CCStpa* HealthSense HSA administrator is Mellon

For HealthSense HSA, *CCStpa* will work with Mellon to provide account administration services. This means you get a trusted name in financial services to administer your employees’ accounts, while retaining a leading health plan administrator and broad-based provider network with *CCStpa*.

Mellon offers HealthSense HSA members a number of nifty tools to make using their financial accounts easy. These include:

- An HSA debit card that members can give to providers to process their account payments
- An HSA checkbook
- Employee HSA contact center to call for questions and transaction information
- Employee investment contact center staffed by Dreyfus representatives
- Account statements
- Online access to account information and transactions

Employers’ benefits include having a single point of contact whenever you have a question, robust reporting that gives you more predictable budgeting data, and one invoice for your multiple benefit suppliers.

Your *CCStpa* HealthSense HRA administrator is SelectFunds

CCStpa works with SelectFunds to provide account administration services for the HealthSense HRA. HRA participants have the convenience of managing their accounts online — they can track transactions, see payment histories, download forms and much more.

Is the HRA or HSA best for you? Consider these facts.

Is it important for employees to be able to contribute to the account?

An HSA allows for employee contributions; an HRA does not. If it's important to your company that employees contribute to their accounts, then an HSA will be preferable.

Is it important for employees to be able to take the money in their accounts with them if they leave your organization or if they retire?

Account portability can be an attractive feature to employees and may be useful for bringing new employees to your organization. If you want to offer your employees account portability when they retire or leave, the HealthSense HSA will be appropriate.

Are you able to set aside money each year for funding the account?

Employer-funded health reimbursement arrangements are a “promise to pay”— your organization pays claims as they are incurred. HSAs, on the other hand, allow you the option to contribute money to employees' accounts; employees keep those funds and they will not be returned to you if the employee leaves or retires.

To determine which style of account is a better fit, consider your preference for funding. If you elect to contribute to employee HSAs, you can choose between funding accounts entirely up front each year, or funding accounts every month at 1/12th of your annual contribution amount. Employees may draw from only those funds that are currently available in their accounts.

Do you value flexibility in plan design?

An HRA offers you greater flexibility in plan design. With the HSA, you must offer a compliant high-deductible health plan that meets regulatory requirements.

Which matters more to you: employee behavior change or cost savings?

HSAs give employees greater ownership of and investment in their health care dollars. An HRA, by contrast, means less long-term ownership of account funds. However, for employers, the HRA can be a lower cost, yet effective, plan offering.

For more information

If you're ready for a consumer-directed solution, you've come to the right place. A HealthSense plan from CCStpa can help you get the results you're looking for. We've got the experience, flexibility, nationally recognized resources, and administrative partners to serve your members seamlessly and to make your plan effective.

There's a lot to consider with HealthSense. We're here to help you understand the accounts, suggest plan features and teach you about the supporting tools and programs. Let us work with you to design a health care offering that's just right for your organization.

Call us at 1-866-356-2425 or talk to your agent or sales representative for more information.





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