New benefit options in the HBP

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The NALC Health Benefit Plan is offering two new benefit options for 2014 in addition to our current Plan, which we call the High Option Plan. The names of the two added options are the NALC CDHP and the NALC Value Option.

CDHP and Value Option—As we already have received many questions, let's start with the basics. CDHP stands for Consumer Driven Health Plan. Unlike the current High Option Plan, both plans are considered to be in the "Consumer Driven Health Plan" category. I would like to clarify this, as "Consumer Driven" is not included in the Value Option name. So what does that mean? The CDHP and Value Option Plans focus on you, the health care consumer, and give you greater control over how you use your health care benefits and spend your health care dollars.

Personal care account—Each option provides a Personal Care Account (PCA) funded by the Plan to help pay for some of your covered health care costs. At the start of the calendar year, NALC deposits a specific dollar amount (see below for amounts) into your PCA to help you pay for your eligible health care expenses. The Plan provides $1,200 for a Self Only or $2,400 for a Self and Family in the CDHP and $100 for a Self Only and $200 for a Self and Family in the Value Option. This money must be used first to pay for any and all eligible expenses, such as filling a prescription at the pharmacy or a doctor's office visit, etc. The next benefit to this PCA is that as long as you remain in one of these plans (CDHP or Value Option), any unused balance in your PCA at the end of the calendar year may be rolled over to subsequent years, although the maximum amount allowed in your PCA in any given year may not exceed $5,000 for Self Only and $10,000 for Self and Family.

Deductible—All amounts accrued in your PCA will reduce or count toward the calendar-year deductible; however, when you have exhausted all of your PCA dollars, you are responsible for satisfying the remainder of the plan deductible before traditional health coverage will apply. Your deductible is your bridge between your PCA and your Traditional Health Coverage. So what are the amounts? Both plans have the same deductible amount of $2,000 for Self Only and $4,000 for Self and Family enrollment (in-network), or $4,000 for a Self Only or $8,000 for a Self and Family enrollment (out-of-network).

Cost-sharing and coinsurance—Once you meet your deductible, the Plan shares in the cost of your covered health care expenses. For example, the Plan generally will pay 80 percent of the Plan allowance for covered expenses when you use an in-network provider and/or facility. Your responsibility as the member for the above example would be the remaining 20 percent of the Plan allowance, which is called coinsurance. The Plan generally will pay any covered out-of-network expenses at 50 percent of the Plan allowance. If you use an out-of-network provider, you will have to pay the difference, if any, between the Plan allowance and the billed amount. In summary, the Plan provides coverage for both in-network and out-of-network providers; however, by choosing in-network providers, you receive the best benefit, maximize your PCA dollars and lower your out-of-pocket costs.

Once enrolled—As stated at the start of this article, with these plans you are the consumer and have the ability to spend your PCA money as you see fit, within the guidelines of your plan. You should view your health care as you view other items you routinely "shop" for. Feel free to explore your options by using the cost estimator tools available on mycigna.com. This is a great way to get an estimate of how much a procedure, surgery or visit will cost you before you go to the doctor's office or hospital. You want to receive the highest quality of care and services for the best price, so look around and see what's available.

I would like to take this opportunity on behalf of the Board of Trustees, employees and staff at the NALC Health Benefit Plan to wish all a happy and safe holiday season.

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