

FOR OUR GEORGIA EMPLOYERS



HIGH PERFORMANCE HEALTH

INTRODUCING KAISER PERMANENTE DEDUCTIBLE PLANS WITH HSA OPTION

Making total health solutions more affordable

Affordable health care with tax advantages

Kaiser Permanente's new Deductible Plans with Health Savings Account (HSA) Option offer the innovative, flexible health care solutions individuals and employers have been requesting—all from a proven, high-quality health care provider.

Introducing CarePaySM

We've chosen the CarePaySM name to identify financial products our members can access through our preferred financial providers. The preferred provider for the CarePay HSA is Wells Fargo.

Multiple solutions for multiple needs

Since no two companies, no two financial situations, and no two individuals are exactly the same, our product portfolio contains multiple HSA-qualifying plan designs that offer the Kaiser Permanente CarePay HSA option. Now, you have even more ways to meet the needs of your business and/or employees.



Two respected names offer affordable health care solution

Kaiser Permanente

Our Deductible Plans with HSA Option offer the cost savings of lower monthly premiums, while giving individuals and employers the financial advantages of a tax-favored HSA. Employers can choose to offer a deductible plan with or without an HSA program. If the employer does offer the HSA option along with one of the Kaiser Permanente Deductible Plans, eligible employees can set up a CarePay HSA with any qualified financial institution.

Kaiser Permanente oversees only the Deductible Plans. We do not provide or administer financial products, including HSAs.

Wells Fargo

Although an HSA can be established with any qualified institution, for convenience we've selected Wells Fargo as our preferred HSA trustee and administrator.

With more than 23 million customers, Wells Fargo is a Fortune 100 company and one of the largest and most highly recognized financial services companies in the nation. It's an "Aaa"-rated bank (the highest credit ranking given by Moody's), and has been listed by *Forbes* among the top 25 U.S. companies in all industries based on a composite ranking of revenue, profits, assets, and market value (February 14, 2003).

Plans for personal and financial health

Kaiser Permanente's Deductible Plans with HSA Option present a winning proposition for all. Brokers gain by having new plans to offer. Employers benefit by saving money and having potentially healthier employees. Individuals benefit by having a convenient method to pay for care while enjoying tax advantages.

There are now even more choices available. Employers can offer these plans alone or in conjunction with other Kaiser Permanente products. Outlined below are the key plan features for our Personal Advantage and Small Group plans (2–50). For groups sized 51+, there are customized plan options available. For more information, please contact a broker or call Kaiser Permanente at (404) 364-7105, Monday through Friday, 8:30 a.m.–5:30 p.m (EST), or visit us online at kaiserpermanente.org.

PERSONAL ADVANTAGE PLANS

	Self-Only Plans			Family Plans (2+)			
	DP 1 Self	DP 2 Self	DP 3 Self	DP 1 Family	DP 2 Family	DP 3 Family	DP 4 Family
Deductible	\$3,500*	\$5,000*	\$3,500*	\$3,500	\$5,000	\$3,500	\$5,000
Out-of-Pocket Maximum	\$3,500*	\$5,000*	\$5,000*	\$3,500	\$5,000	\$7,500	\$9,000
Coinsurance	100%	100%	80%	100%	100%	80%	80%
Maximum Benefit While Covered	Unlimited						
Preventive Visits	\$15						
Preventive Services	100% (not subject to deductible and coinsurance)						
All Other Covered Services	Subject to deductible and coinsurance						

*The deductible and out-of-pocket maximum apply to Self-Only Plans; not applicable for individuals covered under Family Plans. Personal Advantage applicants are subject to medical review.

SMALL GROUP PLAN DESIGNS

	Self-Only and Family (2+) Plan Combinations Available											
	Plan A		Plan B		Plan C		Plan D		Plan E		Plan F	
	Self-Only	Family	Self-Only	Family	Self-Only	Family	Self-Only	Family	Self-Only	Family	Self-Only*	Family
Deductible	\$1,000*	\$2,000	\$2,650*	\$3,500	\$3,500*	\$5,000	\$1,000*	\$2,000	\$2,650*	\$3,500	\$3,500*	\$5,000
Out-of-Pocket Maximum	\$1,000*	\$2,000	\$2,650*	\$3,500	\$3,500*	\$5,000	\$3,000*	\$6,000	\$4,650*	\$7,500	\$5,000*	\$9,000
Coinsurance	100%		100%		100%		80%		80%		80%	
Maximum Benefit While Covered	Unlimited											
Preventive Visits	\$15											
Preventive Services	100% (not subject to deductible and coinsurance)											
All Other Covered Services	Subject to deductible and coinsurance											

*The deductible and out-of-pocket maximum apply to Self-Only Plans; not applicable for individuals covered under Family Plans.

Note that certain individual and group underwriting guidelines may apply to the plans on this page. This plan summary is intended to only highlight some of the principal provisions of the plan. Please refer to the Group Agreement or Evidence of Coverage for further details of the plan or for specific limitations and exclusions.



Investing in health

Similar to the way retirement dollars are managed, HSAs offer tax savings. HSAs also provide several additional advantages for people managing their health care dollars:

- Individuals, employees, and employers (on behalf of their employees) can make tax-free contributions to an HSA, within annual limits established under federal law
- Unlike money in health care flexible spending arrangements (FSAs), unused HSA dollars carry over from year to year
- Neither the contributions nor any investment earnings generated by the account are taxable when used for qualified medical expenses

Listed below are some of the expenses that HSA funds can be used for (whether covered by your plan or not):

- Deductibles, copayments, and coinsurance
- Dental and orthodontic services
- Certain types of alternative medicine services
- Lasik eye surgery, glasses, or contact lenses
- Some over-the-counter medications

For a full listing of qualified medical expenses, check www.irs.gov/pub/irs-pdf/p502.pdf.

Paying for health care expenses just got easier

With the CarePay HSA Visa® debit card, there's no need to pay copayments or other out-of-pocket expenses with cash—and no need to submit claim forms for reimbursement. When the CarePay HSA Visa debit card is used to pay eligible medical expenses, funds are automatically deducted from the person's HSA without incurring any investment transaction fees.



A good fit for everyone: savings plus choice

With an HSA, individuals can use tax-free contributions to pay health care expenses as they occur or accumulate money for future health care needs. The choice is up to the individual.

The following scenarios illustrate how an HSA works and the possible savings that may be realized.*

JOHN COST CONSCIOUS

Goal: To take advantage of pre-tax contribution savings

- John selected family coverage for himself, his wife, and two children
- Deductible health plan: \$3,500 deductible/100 percent after deductible†
- Out-of-pocket maximum: \$3,500
- John contributed \$3,500 to his HSA during Year 1

Year 1 HSA activity

- Eligible out-of-pocket medical expenses totaling \$5,200
- John uses his HSA to pay for the first \$3,500 of expenses (up to his deductible)
- The remaining \$1,700 is covered 100 percent by plan
- HSA balance at end of year: 0††

Even though John’s balance at the end of the year was \$0, he achieved savings by using tax-free dollars to pay for qualified medical expenses.

JANE LONG-TERM SAVINGS

Goal: Long-term health care savings

- Jane selected individual (self-only) coverage for herself
- Deductible health plan: \$3,500 deductible/100 percent after deductible†
- Out-of-pocket maximum: \$3,500
- Jane contributed \$2,650 to her HSA in Year 1

Year 1 HSA activity

- Eligible out-of-pocket health care expenses totaling \$1,000
- Jane elects to pay \$600 from her HSA; and pay the remaining \$400 out-of-pocket. She did this to keep a higher account balance
- The remaining \$2,050 in her HSA is rolled over to next year for future health care expenses†

Year 2 savings growth

- Jane makes another \$2,650 contribution to her HSA
- She incurs only preventive care costs, which are covered at 100 percent by her plan (note office visit copay might apply)
- She doesn’t spend any money from her HSA
- At the end of Year 2, Jane has \$4,700 in her HSA.†† Jane ended the year with money still in her HSA and achieved savings by using tax-free dollars to pay for qualified medical expenses.

†Some plans cover services at 80% after the deductible.
 ††Year-end total does not include investment results.

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 ††Year-end total does not include investment results.



Long-term savings can add up

Individuals, such as Jane, who choose to contribute to an HSA may achieve substantial savings over time. For example, if the employer and employee both make tax-free contributions of \$1,000 per year (totaling \$2,000 annually) to the employee's HSA account, they may gain:

- **\$22,928 in tax-free savings** in 10 years (assuming 3 percent interest compounded annually) if no withdrawals are made from the HSA
- **\$11,464 in tax-free savings** in 10 years (assuming 3 percent interest compounded annually) if 50 percent of the HSA funds are withdrawn per year
- Even if 100 percent is withdrawn each year, an employee or individual pays for copayments, deductibles, and other qualified medical expenses with these tax-free dollars.

It's all about choices

Through the Kaiser Permanente Deductible Plans with HSA Option, a person can use their HSA account to:

- Pay immediate medical expenses as they occur
- Build savings in the account for years with extensive out-of-pocket expenses
- Keep money not used during working years to be used for medical needs at retirement
- Invest money in the HSA and earn tax-free investment results
- After retirement age, use the money in an HSA for nonmedical expenses without penalty

*The tax references contained in this brochure relate to federal income tax only. The tax treatment of health savings account (HSA) contributions and distributions under your state's income tax laws may differ from the federal tax treatment, and differ from state to state. Consult with your financial or tax advisor for more information. Refer to the IRS Web site for information regarding qualified expenses under Internal Revenue Code Section 213(d).

Frequently asked questions



Q: Where can I get more information about Kaiser Permanente's Deductible Plans with HSA Option?

A: For more information, you can contact your broker or call Kaiser Permanente at **(404) 364-7105**, Monday through Friday, 8:30 a.m.–5 p.m. (EST), or visit **kaiserpermanente.org**

Q: Do the deductible, coinsurance and copayment count towards the out-of-pocket maximum?

A: The deductible, coinsurance and copayment contribute toward the OOP maximum with Kaiser Permanente's Deductible Plans with HSA Option. For example, if an individual has a deductible of \$1,500 and an OOP maximum of \$3,000, once the deductible is met, the individual will have \$1,500 of additional expenses before the OOP maximum is satisfied. Once the remaining \$1,500 of the OOP maximum is satisfied—through coinsurance or copayments—Kaiser Permanente pays for 100 percent of covered services for the remainder of the calendar year.

Q: What medical expenses are subject to the deductible and count toward the OOP maximum?

A: Under the Kaiser Permanente Deductible Plan with HSA Option, all services count toward the OOP maximum, while all services except preventive care are subject to the deductible. Examples of services that are subject to the deductible and count toward the OOP maximum include, but are not limited to, office visits (primary care and specialty); hospitalization; outpatient surgery; prescription drugs; emergency, laboratory, and radiology services.

Q: Does the deductible apply to preventive care?

A: Most preventive care services are covered at 100 percent—without deductibles or coinsurance—except there is a copayment for preventive care visits. The visit is exempt from the deductible, but the visit copayment applies toward the OOP maximum. Kaiser Permanente offers a wide range of preventive care services, including:

- Routine physicals
- Routine Women's health care, including mammograms, pelvic exams, clinical breast exams, and Pap tests
- Well-child care (will be at no charge)
- Standard immunizations*
- Diabetes screenings
- Prostate screenings
- Cholesterol screenings

*Note: Immunizations needed solely for travel are not covered.

Q: How do the family deductible and the OOP maximum work for families?

A: The family deductible applies to the family as a whole. The deductible may be satisfied by expenses incurred by one family member or a combination of family members. Once the deductible has been satisfied during a calendar year, all family members are exempt from any further deductible requirements for that year. Similarly, eligible expenses for one family member, or any combination of family members, can satisfy the OOP maximum for the whole family unit. Once the OOP maximum is reached, Kaiser Permanente pays for 100 percent of covered services for the entire family, for the remainder of the calendar year.

Q: What provider network can I access with Kaiser Permanente Deductible Plans with HSA Option?

A: Kaiser Permanente is offering the New Deductible Plans with HSA Option as part of our HMO portfolio of products. Members can access the Kaiser Permanente HMO network of providers, over 1,000 Metro Atlanta doctors. However, health care services that are not covered under a member's Kaiser Permanente Deductible Plan with HSA Option may be paid for with HSA funds if the services meet applicable federal tax law requirements.

Q: How do you set up an HSA?

A: HSA accounts can be established at any approved HSA financial provider. For added convenience, Kaiser Permanente members can set up a CarePay HSA through Wells Fargo, our preferred HSA trustee and administrator. Members can sign up online or call Wells Fargo for enrollment materials. Log on to www.wfhbs.com/kaiserpermanente, or call a Wells Fargo HSA customer service representative at **1-866-890-8308** Monday through Friday, from 8 a.m.–8 p.m. (EST).

Q: What are the investment options for the Wells Fargo HSA funds?

A: Members may choose from six Wells Fargo investment funds to meet different investment needs. A brief overview of each of the available funds is included in the enrollment package.

Q: How can members access their Wells Fargo HSA funds?

A: Health plan members can access their HSA funds for qualified medical expenses by using their HSA Visa debit card. Members will receive the card when they open an HSA with Wells Fargo. (If they prefer, members can pay for services at the time of delivery and file a claims form with Wells Fargo for reimbursement from their HSA.)

Q: How can members keep track of their Wells Fargo HSA balances?

A: Wells Fargo will mail a quarterly statement to members. The statement will show total contributions and distributions as well as investment results. Members can also access their account information online at www.wfhbs.com/kaiserpermanente, or call a Wells Fargo HSA customer service representative at **1-866-890-8308** Monday through Friday, from 8 a.m.–8 p.m. (EST).

Q: Who do members contact if they have additional questions about their CarePay HSA?

A: Members can access information online at www.wfhbs.com/kaiserpermanente, or call Wells Fargo directly at **1-866-890-8308** Monday through Friday, from 8 a.m.–8 p.m. (EST).

Kaiser Permanente Deductible Plans with HSA Option

A smart choice for individuals, employers, and employees



Individuals/employees can enjoy:

- Lower premiums
- Tax-advantaged savings
- Coverage for preventive care
- Quality care from Kaiser Permanente

Employers/brokers can enjoy:

- More affordable health care solutions
- Choice of multiple HSA-qualified plan designs
- A plan that rewards healthy employees
- Simple administration
- Plans that can be offered alone or in conjunction with other Kaiser Permanente products
- Quality health coverage to meet widely varying financial, lifestyle, and health care needs

To learn more about the advantages of Kaiser Permanente's Deductible Plans with HSA Option, log on to:

[kaiserpermanente.org](https://www.kaiserpermanente.org)

Kaiser Foundation Health Plan of Georgia, Inc., 3495 Piedmont Road, NE; Nine Piedmont Center; Atlanta, GA 30305; (404) 364-7000

CarePaySM is a service mark of Kaiser Permanente identifying financial products our members can access through our arrangements with preferred financial providers. Your CarePay HSA account is provided and administered by Wells Fargo. Kaiser Permanente does not provide or administer financial products, including HSAs, and does not offer financial, tax or investment advice. Members are responsible for their own investment decisions. Members can use their CarePay HSA debit card anywhere, not limited to Kaiser Permanente facilities. For information about your Wells Fargo HSA, please contact Wells Fargo at 1-866-890-8308.