

MEDICAL PLAN options



	In-Network Benefits		
	Value (HSA)	Premium (HSA)	Premium Plus (HRA)
Deductible	\$2,500 individual	\$2,000 individual	\$2,000 individual
	\$4,500 family (aggregate)	\$3,500 family (aggregate)	\$3,500 family (aggregate)
Coinsurance (Your portion after deductible)	20% after deductible	10% after deductible	10% after deductible
Out-of-Pocket Maximum	\$5,000 individual	\$4,000 individual	\$4,000 individual
	\$9,000 family (aggregate)	\$7,000 family (aggregate)	\$7,000 family (aggregate)
Preventive Care	Plan pays 100%, no deductible	Plan pays 100%, no deductible	Plan pays 100%, no deductible
Primary Care	Plan pays 80% after deductible	Plan pays 90% after deductible	Plan pays 90% after deductible
Specialists	Plan pays 80% after deductible	Plan pays 90% after deductible	Plan pays 90% after deductible
Urgent Care	Plan pays 80% after deductible	Plan pays 90% after deductible	Plan pays 90% after deductible
Emergency Room	Plan pays 80% after deductible	Plan pays 90% after deductible	Plan pays 90% after deductible
PRESCRIPTION DRUGS			
Rx	Plan pays 80% after deductible	Plan pays 90% after deductible	\$200 per individual prescription drug deductible must be met first** Tier 1 – \$10 copay Tier 2 – \$35 copay Tier 3 – \$50 copay Tier 4 – \$90 copay Tier 5 – 25% copay (maximum of \$200)
Formulary*	<u>Basic Open</u>	<u>Enhanced Open</u>	<u>Basic Open</u>
Mandatory Mail Order	Required for maintenance medications	Not required	Required for maintenance medications
Mandatory Generic Substitution	Not required	Not required	Required
Enhanced Preventive Drugs	Plan pays 100%, no deductible	Plan pays 100%, no deductible	Plan pays 100%, no deductible

*The list of covered prescription drugs that are available to members within their prescription drug benefits. See "Terms to Know" on page 15 for more information.

**Prescription drug deductible applies to the out-of-pocket maximum, not the medical deductible.

MEDICAL PLAN rates



	VALUE PLAN (HSA)		PREMIUM PLAN (HSA)		PREMIUM PLUS PLAN (HRA)		EMPLOYER CONTRIBUTION HSA / HRA ***
	Employee	Employer	Employee	Employer	Employee	Employer	
FULL-TIME RATES (Semi-Monthly)*							
Employee Only	\$0	\$188.15	\$15.01	\$216.29	\$47.67	\$232.71	\$1,000
Employee + Spouse or Domestic Partner	\$129.98	\$263.92	\$154.96	\$329.27	\$208.38	\$378.60	\$1,500
Employee + Child	\$30.89	\$226.47	\$36.38	\$279.99	\$60.97	\$322.53	\$1,500
Employee + Children	\$45.86	\$306.89	\$60.71	\$372.93	\$95.67	\$429.99	\$1,500
Employee + Family (Spouse or Domestic Partner)	\$148.14	\$432.82	\$182.12	\$532.06	\$238.07	\$627.66	\$1,500
PART-TIME RATES (Semi-Monthly)**							
Employee Only	\$56.45	\$131.70	\$79.90	\$151.40	\$117.49	\$162.89	\$1,000
Employee + Spouse or Domestic Partner	\$209.16	\$184.74	\$253.74	\$230.49	\$321.96	\$265.02	\$1,500
Employee + Child	\$98.83	\$158.53	\$120.38	\$195.99	\$157.73	\$225.77	\$1,500
Employee + Children	\$137.93	\$214.82	\$172.59	\$261.05	\$224.67	\$300.99	\$1,500
Employee + Family (Spouse or Domestic Partner)	\$277.99	\$302.97	\$341.74	\$372.44	\$426.37	\$439.36	\$1,500

* To be eligible for full-time rates, you must be regularly scheduled to work a minimum of 30 hours per week.

** To be eligible for part-time rates, you must be regularly scheduled to work between 20–29 hours per week.

***The employer contribution to the HSA/HRA is prorated monthly based upon the effective date of coverage.

NOTE: The above rates do not include the \$250 annual tobacco surcharge.



A FLEXIBLE SPENDING ACCOUNT (FSA)

saves you money

A Flexible Spending Account – or FSA – can help you save money on your taxes by paying for dependent care and eligible medical, dental and vision care expenses on a tax-free basis. Depending on your tax bracket that can be like getting a tax break of up to 10 to 39 percent. You choose the amount of money (subject to IRS limits) that you want to have deducted from your pay before taxes and the money goes to an account in your name at Health Equity, our FSA administrator.

There are three different kinds of FSAs:

- 1 Health Care FSA (HCFSA)** – If you are enrolled in the **Premium Plus Plan with HRA** or waive coverage, you may choose to participate in a Health Care FSA. Even though our plans cover many of your health care expenses, you may need to pay some costs out of your pocket, such as copayments, your deductible and coinsurance. Use your HCFSA to pay for these, as long as they are eligible medical, dental and vision expenses. You can contribute between \$100 and \$2,550 to an FSA for the 2017 calendar year. The full amount you elect to contribute to your FSA over the course of the year is available for your use at the beginning of the year.
- 2 Limited Purpose Health Care FSA (LPFSA)** – If you participate in **Value or Premium Plans with HSA** your use of an FSA is limited to eligible vision and dental expenses. You can contribute between \$100 and \$2,550 for the 2017 calendar year to this account. The full amount you elect to contribute to the account over the course of the year is available for use at the beginning of the year.
- 3 Dependent Care FSA** – The Dependent Care FSA allows you to pay for eligible dependent care expenses on a tax-free basis. You can contribute between \$100 and \$5,000. If you are a new employee or earned less than \$120,000 from BCBSNC for 2015, you are eligible to receive a company matching contribution of up to \$500 to your Dependent Care FSA. The company match amount is funded in 50 percent increments at the beginning of the year and after July 1. As an example, if you're eligible for the Dependent Care FSA match and you elect to contribute \$1,000, the company will contribute \$250 to your account in January, and if still enrolled in the plan, another \$250 after July 1. This company contribution will reduce the IRS maximum amount you can contribute to the account for the 2017 calendar year.

HealthEquity
Building Health Savings™

Important considerations for Flexible Spending Accounts

- + Because an FSA may reduce your taxes, the IRS has strict rules regarding how it can be used.
- + Carefully consider your participation in an FSA and how much you contribute. Once chosen, you cannot later change your contribution amount or stop participating unless you experience a qualifying status change.
- + The funds in your FSA must be used for eligible expenses that were incurred during the time you are enrolled.
- + The money in your FSA does not roll over from year to year. If you don't use the funds within the allotted time period, your FSA contributions will be forfeited.
- + If married and your spouse is also eligible to contribute to an FSA with his or her employer, be sure to coordinate your accounts. FSAs offer a great way to save money but require careful planning. For more information regarding these accounts and a list of eligible expenses, visit healthequity.com.

HEALTH SAVINGS ACCOUNT (HSA) and HEALTH REIMBURSEMENT ACCOUNT (HRA)

While similar in some respects, Health Savings Accounts and Health Reimbursement Accounts are very different types of accounts and are subject to different IRS rules and regulations on permitted uses. These accounts can be used in combination with Health Care Flexible Spending Accounts, mentioned on the previous page, to maximize your savings opportunity.

Health Savings Account (HSA)*

An HSA is like a 401(k) retirement account, but may only be used for eligible medical expenses. You must be enrolled in the Value or Premium Plan to have the health savings account. Once established, BCBSNC will contribute up to \$1,000 (employee-only coverage) or \$1,500 (employee plus one or more covered dependents) to your account at the beginning of the year, depending on your participation in the Healthy Dividends program. You can contribute as well. But remember, for 2017, total contributions (including the company's contribution) to an HSA are limited to \$3,400 for an individual and \$6,750 for a family. Unlike an HRA, described below, your HSA earns interest. When used for eligible medical expenses, an HSA is triple tax-advantaged (money goes in, earns interest and goes out – all tax-free). Not only that, the money in your HSA is yours to keep – it rolls over from year to year, making it a great way to plan for future medical expenses.

Health Reimbursement Account (HRA)*

An HRA is a benefit account set up by BCBSNC for those who enroll in the Premium Plus Plan with HRA. At the beginning of the year, BCBSNC will contribute up to \$1,000 annually (employee only) or \$1,500 annually (employee plus one or more covered dependents) to the account of the eligible employee, depending on your participation in the Healthy Dividends program. Only BCBSNC can contribute to this account, and the available funds can only be used for eligible medical expenses. Nonmedical vision and dental expenses are not eligible for reimbursement from this account. For this reason, it is important to consider pairing this account with a Health Care Flexible Spending Account (HCFSA) referenced on the previous page.

FEATURES	HSA	HRA	HCFSA	LPFSA
You can use it to pay your deductibles or copayments.	✓	✓	✓	✓
You own the account.	✓			
Your employer owns the account.		✓	✓	✓
You can contribute to the account on a pre-tax basis through payroll deduction.	✓		✓	✓
You can invest the money.	✓			
It comes with a debit card.	✓	✓	✓	✓
You can only use funds for dental and vision expenses.				✓



TERMS to know

Coinsurance: Your share of the costs of covered services, after you've met your deductible. Coinsurance is usually stated as a percentage of the allowed amount.

Deductible: The amount you owe for certain covered services during a benefit period before your health insurance begins to pay.

Formulary: A formulary is a list of medications, devices and related products covered by a health plan. BCBSNC reviews and periodically updates this list for our medical plans. This includes ongoing reviews of clinical information about new drugs and reviews of new safety and efficacy information about older drugs. Within a formulary, certain medications have prior review requirements and/or limitations on the quantity and days supply coverage. Prior authorizations and quantities in excess of the coverage limit must be reviewed and approved to be covered.

Basic vs. Enhanced Open Formulary: Employees enrolled in either the Value or Premium Plus Plan will have the Basic Open Formulary. The Basic Open Formulary has more utilization management requirements than the Enhanced Open Formulary in order to keep costs more affordable. For example, some medications are subject to prior authorization or step therapy protocols, which means trying other medications first before "stepping up" to drugs that cost more.

Out-of-pocket limit: The most you pay for covered services during a policy period before BCBSNC begins to pay 100 percent of your covered services. The out-of-pocket maximum includes deductibles, coinsurance and copayments. (This limit never includes premium payments, services that are not covered, or any extra costs of seeing an out-of-network doctor.)

Prescription drug copayment: A fixed dollar amount you may pay for a covered prescription at the time you receive it. Prescription drug copayments vary based on the tier placement of the drug. Applies to the Premium Plus Plan with HRA only.

Prescription drug deductible: The amount you owe for prescription drug services during a benefit period before your prescription drug copayments begin to apply. The prescription drug deductible applies to the out-of-pocket maximum, not the medical deductible. Applies to the Premium Plus Plan with HRA only.