

BOSTON UNIVERSITY

Your Guide to 2016 Medical Options



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Your Guide to 2016 Medical Options

At Boston University, we strive to provide competitive benefits to support your and your family's well-being. As announced by President Brown this past July, we will be making changes to our Medical and Long-Term Disability plans as of January 1, 2016, to ensure that:

- We continue to offer benefits that attract and retain excellent faculty and staff,
- We use our financial resources prudently so that our benefits are sustainable over the long term, and
- We maximize the value of our benefits while meeting applicable regulations.

This guide describes the medical options available to you beginning in January 2016. You will have the opportunity to choose a medical plan during the upcoming Open Enrollment period: **October 21 through November 18, 2015.**

Also New for 2016: Updated Long-Term Disability (LTD) Plan

The LTD Plan provides 60% of your pre-disability income if you are unable to work for more than six months due to disability (maximum monthly benefit: \$14,500). For those who become disabled January 1, 2016, or later, the following provisions apply:

- The eligibility waiting period to be covered by the plan is reduced from three years to two years.
- Retirement plan contributions may continue:
 - For the duration of the disability if you qualify for Social Security Disability Income, or
 - For up to five years.
- Health plan coverage may continue at the same contribution rate as for active employees for up to five years of disability.

No election is required for the LTD Plan. Full-time faculty and staff with an assignment duration of nine months or more become eligible after two years of full-time employment. Once you become eligible, coverage is automatic and fully paid by Boston University.

If you are currently receiving LTD benefits, your benefits will continue unchanged.



Open Enrollment Is October 21 Through November 18, 2015

Enroll by the November 18 deadline if:

- You are currently enrolled in BCBS Network Blue New England (HMO). This coverage will be discontinued, and you'll need to select a different medical option.
- You want to change your current benefit elections for 2016.
- You need to add or drop a dependent from your benefit coverage.
- You'd like to enroll in or change your contribution rate for a Health Savings Account (if you enroll in the BU Health Savings Plan for 2016).
- You'd like to contribute to either of these accounts in 2016:
 - A Health Care Flexible Spending Account (if you enroll in the new Preferred Provider Organization (PPO) Plan).
 - A Dependent Care Flexible Spending Account.

If You Don't Actively Enroll for 2016

If you don't participate in Open Enrollment, you will be automatically enrolled as follows:

- If you are currently enrolled in the BCBS PPO Plan or Network Blue New England and make no election, you'll be enrolled in the new PPO at your current coverage level. If you are currently enrolled in the BU Health Savings Plan, your participation in this plan will continue at your current coverage level, and your current Health Savings Account (HSA) contribution rate will continue.
- Health Care Flexible Spending Account (FSA) and Dependent Care FSA employee contributions will end on December 31, 2015.
- All other benefit elections and coverage levels will remain the same unless you take action.

As a reminder, midyear changes are permitted only within 30 days of a qualifying event, such as marriage, birth, divorce, etc. If you do not experience a qualifying event, your next opportunity to make changes will be during next year's Open Enrollment.

Resources to Learn More

BU Human Resources Website: Visit www.bu.edu/hr/oe to learn about your benefits, review the 2016 Benefits Guide, find providers and more.

Online Enrollment Guide: This online guide helps you understand what's changing for 2016. It also provides details about your BU-provided benefits, as well as information on eligibility, qualified midyear changes and more. **The 2016 Enrollment Guide will be available during the 2016 Open Enrollment period, from October 21 to November 18.**

Blue Cross Blue Shield Coverage Advisor Tool: Use this interactive tool to help you see which plan might offer you the best value based on your expected medical expenses.

Visit <https://www.webmdhealth.com/advisor/default.aspx?EXID=BU&toolid=403>.

Educational Meetings: From mid-September to mid-November, Human Resources will host meetings regarding the 2016 changes and will be available to answer questions about your benefits. Go to www.bu.edu/hr/oe for a schedule of meeting dates, times and locations.

Two Medical Options

Beginning January 1, 2016, BU will offer two medical options:

- **A new PPO Plan** — which combines the existing features of the current HMO and PPO plans
- **The current BU Health Savings Plan** with health savings account (HSA)

Both plans will continue to be administered by Blue Cross Blue Shield of Massachusetts (BCBS) and will continue to use the BCBS National PPO Network as the in-network providers.

Prescription drug coverage will be offered through a new administrator, OptumRx — a leading Pharmacy Benefit Manager servicing 65 million members and managing 1 billion prescriptions annually.

Cost of Coverage

BU will contribute the same dollar amount toward your medical coverage for both the PPO Plan and BU Health Savings Plan.

As of January 1, 2016, the amount of BU's contribution will be:

- 75% of the cost of the new PPO Plan for those working 75% to 100% time
- 50% of the cost of the new PPO Plan for those working 50% to 74% time

Since the total cost of the BU Health Savings Plan is lower than that of the new PPO Plan, your payroll contributions will be lower if you elect the BU Health Savings Plan and higher if you elect the PPO.

You may review the contribution rates on page 18.

The screenshot shows a web form titled "New User Registration" with the Boston University logo and "POWERED BY WebMD health services". The form includes a "Frequently Asked Questions" section with links for "Is my information safe?" and "Who is WebMD?". Below this is a section titled "1 Your Profile Information" with fields for "Gender" (a dropdown menu), "Birth Date (mm/dd/yyyy)", and "ZIP/Postal Code (of the town you live in)". A "Go" button is at the bottom right. A note at the bottom states: "For more information about what you should expect from us as we strive to deliver health and wellness solutions, review Your Rights."

Choose the Medical Plan Option That's Right for You

The Blue Cross Blue Shield Coverage Advisor Tool allows you to estimate your out-of-pocket medical expenses for the coming year.

Enter your estimated expenses to compare the BU medical plan options to find which one might be right for you in 2016. You can also use the tool to help determine how much to set aside in a Health Savings Account or a Health Care Flexible Spending Account.

Visit <https://www.webmdhealth.com/advisor/default.aspx?EXID=BU&toolid=403> to get started.

Terms to Know

The following terms will help you understand the medical options.

Annual deductible	<p>This is the amount you pay each calendar year before the plan begins paying benefits for services subject to coinsurance.</p> <p>The deductible works differently for the new PPO Plan and the BU Health Savings Plan when it comes to spouse and dependent child coverage and prescription drugs:</p> <p>PPO Plan Individual coverage: The plan begins to pay benefits when the individual deductible is met. Spouse and dependent coverage: The plan begins paying benefits for a covered person when he or she meets the individual deductible amount. It then pays benefits for all covered family members when the family deductible amount is met by any combination of the remaining covered family members. Prescription drug expenses and office visit copays are not included in the medical deductible.</p> <p>BU Health Savings Plan Individual coverage: The plan begins to pay benefits when the individual deductible is met. Spouse and dependent coverage: The plan begins to pay benefits for any individual only when the family deductible has been met. The family deductible may be met by any combination of covered family members. Prescription drug expenses count toward the medical deductible.</p>
Coinsurance	<p>Once you meet the annual deductible, you pay a percentage of the total cost of care subject to coinsurance, and the plan pays a percentage of the total cost of care. The percentage you pay is called your “coinsurance.”</p> <p>Services that count toward the deductible in the new PPO Plan include hospital and outpatient facilities, as well as labs and other tests.</p>
Copayment (“Copay”)	<p>A copay is the flat dollar amount you pay for doctor’s office visits, prescription drugs and emergency room visits. Copays are not charged for preventive care. Copays do not count toward satisfying the annual deductible, but they do count toward the annual out-of-pocket maximum, as described below.</p>
Out-of-pocket maximum	<p>The out-of-pocket maximum limits the amount you pay each calendar year for covered services. Your out-of-pocket maximum includes the deductible, coinsurance and any copays. Once you reach this maximum, the plan covers 100% of the cost of any additional eligible expenses you incur for the rest of the plan year.</p> <p>PPO Plan Separate out-of-pocket limits apply to medical and prescription drug expenses.</p> <p>BU Health Savings Plan One out-of-pocket limit applies to all eligible medical and prescription drug expenses.</p>
Provider	<p>A provider is someone or an institution that has contracted with your medical plan to provide health care services. Your out-of-pocket costs depend on the type of health care provider you choose:</p> <p>BMC provider: In the new PPO Plan, you pay less for health care when you use a Boston Medical Center (BMC) provider.</p> <p>BCBS National PPO Network provider: You may pay more in out-of-pocket costs when you use providers in the BCBS National PPO Network.</p> <p>Low-cost vs. high-cost hospitals: You pay less for services received at a low-cost hospital than a high-cost hospital.</p> <p>Other providers: You pay higher out-of-pocket costs when your provider is not in the BCBS National PPO Network.</p>

2016 Health Plans at a Glance

The following table shows the amount **you** will pay for common medical expenses under each plan.

Service	New PPO Plan			BU Health Savings Plan	
	BCBS National PPO Network		Out-of-Network Providers	BCBS National PPO Network Providers	Out-of-Network Providers
	BMC Providers	All Other BCBS PPO Network Providers			
Deductible (single/family)	\$250/\$500	\$250/\$500	\$500/\$1,000	\$1,500/\$3,000	\$3,000/\$6,000
FSA/HSA BU contribution* <ul style="list-style-type: none"> • <\$70,000 • \$70,000-\$100,000 • >\$100,000 		<ul style="list-style-type: none"> • \$250/\$500 • \$125/\$250 • No contribution 		\$500 (single coverage) \$1,000 (family coverage) You must open and contribute to a Fidelity-administered HSA to receive the BU employer contribution to your HSA	
Out-of-pocket maximum (For PPO, does not include prescription drugs)	\$2,500/\$5,000	\$2,500/\$5,000	\$5,000/\$10,000	\$3,000/\$6,000	\$6,000/\$12,000
Preventive care	\$0 (plan pays 100%)	\$0 (plan pays 100%)	30%, after deductible	\$0 (plan pays 100%)	30%, after deductible
Office/facility visits	\$15 copay	\$30 copay	30%, after deductible	10%, after deductible	30%, after deductible
X-rays, labs and related tests (diagnostic) <ul style="list-style-type: none"> • Non-hospital providers • Low-cost hospitals • High-cost hospitals 	0%	<ul style="list-style-type: none"> • 10%, after deductible • 10%, after deductible • 20%, after deductible 	30%, after deductible	10%, after deductible	30%, after deductible
Emergency room visit	\$100 copay	\$100 copay	\$100 copay	10%, after deductible	10%, after deductible
Inpatient or outpatient care <ul style="list-style-type: none"> • Low-cost hospitals • High-cost hospitals 	0%, after deductible	<ul style="list-style-type: none"> • 10%, after deductible • 20%, after deductible 	30%, after deductible	10%, after deductible	30%, after deductible
Prescription drugs <ul style="list-style-type: none"> • Generic • Preferred • Non-preferred 		<ul style="list-style-type: none"> • \$8 copay • 20% (min \$40 and max \$60) • 30% (min \$60 and max \$80) 	Not covered	10%, after deductible	Not covered
Mail order prescription drugs <ul style="list-style-type: none"> • Generic • Preferred • Non-preferred 		<ul style="list-style-type: none"> • \$16 copay • 20% (min \$80 and max \$120) • 30% (min \$120 and max \$160) 	Not covered	10%, after deductible	Not covered
Prescription drug out-of-pocket maximum	\$2,000/\$4,000		Not applicable	Included in medical out-of-pocket maximum	Not applicable

*The FSA contribution to the BCBS PPO Plan depends on your base salary.

Preventive Care Covered at 100%

Both plans cover 100% of the cost of in-network preventive care. Take advantage of it! Schedule preventive care appointments (including annual exams, age-appropriate screenings, well woman care, well baby care, well child care and immunizations). Preventive care can help detect potential health risks early on, helping you and your family avoid health complications and costly medical bills down the road.

The New PPO Plan

Provider Choice

You and your family have the freedom to choose any provider each time you need care. The benefits you receive and the amount you pay depend on the provider you choose, as the following chart shows.

BCBS National PPO Network		
\$ BMC Provider	\$\$ All Other BCBS PPO Network Providers	\$\$\$ Out-of-Network Providers
<p>When you use a Boston Medical Center (BMC) provider, you will pay less for your health care.</p> <p>You save on everything from doctor's office visits and X-rays to hospital care. For a list of BMC providers, visit bluecrossma.com/search/boston-university.</p>	<p>When you use other BCBS PPO Network providers, you may pay more in out-of-pocket costs for your care compared with using a BMC provider.</p> <p>Physician visits are covered by a copayment. Hospital services are subject to coinsurance after the annual deductible is met. Hospital services are separated into low- and high-cost hospitals. You pay less for services at a low-cost hospital than at a high-cost hospital except for emergency room visits.</p> <p>For a list of BCBS providers, visit https://findadoctor.bluecrossma.com.</p> <p>Select the <i>Blue Care Elect Network with Hospital Choice Cost Sharing</i> feature to access the network of providers covered under this plan.</p>	<p>If your provider is not in the BCBS National PPO Network, out-of-network benefits apply.</p> <p>You are still covered for most services by the plan, but your out-of-pocket costs will be higher.</p>

Use the BMC Physicians at the BU Charles River Medical Practice

Boston University-affiliated physicians are available at the BU Charles River Medical Practice located at 930 Commonwealth Avenue, adjacent to the Charles River Campus of Boston University. To view their providers and find out more about the practice, visit <http://www.bu.edu/charlesmed/>.

Low-Cost vs. High-Cost Hospitals

The BCBS National PPO Network designates certain hospitals as low cost and others as high cost. You'll pay less if you choose a low-cost hospital. Emergency room visits at low- or high-cost hospitals are subject to a \$100 copay. To learn more about the low-cost and high-cost designations for BCBS hospital services, visit www.bu.edu/hr/oe.

Annual Deductible

For some eligible expenses, you pay the full amount until you reach the annual deductible. The deductible that applies depends on the network you choose and your coverage level:

Deductible	BCBS National PPO Network	Out-of-Network
Single	\$250	\$500
Family	\$500	\$1,000



The deductible does not apply to:

- In-network preventive care
- In-network office visits
- Emergency room visits
- Prescription drugs

Copayments

Copayments, or copays, are a flat fee that applies for doctor's office visits, emergency room visits and prescription drugs. Copays do not count toward the deductible but do count toward the out-of-pocket maximum.

Copays apply to the following expenses:

Copayments

Expense	BCBS National PPO Network		Out-of-Network
	BMC Providers	All Other Network Providers	
Office visit	\$15	\$30	n/a (deductible and coinsurance apply)
Emergency room visit	\$100	\$100	\$100
Prescription drugs	See "Prescription Drugs" section on page 9.		Not covered

Coinsurance

For some eligible expenses, once you meet the annual deductible, you and the plan pay a percentage of the cost of care. The coinsurance percentage you pay depends on the type of service and the provider you choose:

Coinsurance Percentage You Pay (After Deductible)

Expense	BMC Providers	Blue Cross Blue Shield Low- and High-Cost Hospital Services		Out-of-Network
		Low-Cost	High-Cost	
Preventive care	Plan pays 100%; no deductible	Plan pays 100%; no deductible		30%
Office visits	n/a (copay applies)	n/a (copay applies)		30%
X-rays, labs and related diagnostic tests	0%	10%	20%	30%
Outpatient care	0%	10%	20%	30%
Inpatient care	0%	10%	20%	30%

Prescription Drugs

Prescription drug coverage is provided through OptumRx. When your doctor prescribes medication, you have choices about where and how the prescription is filled:

- In-network retail pharmacy or mail order?
 - You can save money and time by ordering certain medications through the home delivery program: a 90-day supply delivered to your home would be the same cost as a 60-day supply filled at a retail pharmacy.
- Generic medication, preferred brand or non-preferred brand?

Your out-of-pocket cost for prescription drugs depends on these choices:

Your Cost for Prescription Drugs

Expense	OptumRx Network	Out-of-Network
Retail pharmacy (per 30-day supply)		You pay 100% (not covered)
Generic	\$8 copay	
Preferred brand	20% coinsurance (\$40 minimum, \$60 maximum)	
Non-preferred brand	30% coinsurance (\$60 minimum, \$80 maximum)	
Mail order (per 90-day supply)		
Generic	\$16 copay	
Preferred brand	20% coinsurance (\$80 minimum, \$120 maximum)	
Non-preferred brand	30% coinsurance (\$120 minimum, \$160 maximum)	

Annual Out-of-Pocket Maximum

The annual out-of-pocket maximum limits the amount you pay for the deductible, copays and coinsurance each calendar year. In the new PPO Plan, separate out-of-pocket maximums apply to medical expenses and prescription drug expenses, as follows:

Out-of-Pocket Maximum

Expense	In-Network	Out-of-Network
Medical		
Single	\$2,500	\$5,000
Family	\$5,000	\$10,000
Prescription drug		
Single	\$2,000	n/a (not covered)
Family	\$4,000	

The New PPO Plan in Action

One of the best ways to see how a health plan works is to look at an example. Using the current plan design on page 6, let's follow a family of four in fair health and see how the new PPO Plan works for them.

Meet the Walkers

Betsy works for BU, earning \$67,000, and she and her husband, Jim, have two children — Billy (age 14) and Allison (age 12). They are a moderately healthy family — no major health issues — and receive their preventive care each year. Betsy chooses family coverage in the new PPO Plan.

The Walkers in 2016

The table below shows the Walkers' medical expenses for 2016. They receive preventive care, which is covered at 100%. Unfortunately, Billy suffers a head injury in a neighborhood baseball game. He's taken to the ER but checks out OK. Betsy has a sinus infection that requires several visits to the doctor, lab tests and prescription medication. Allison has an accident on her bike and is taken to the ER. Nothing is fractured, but she needs to see a specialist for a follow-up visit. The table below provides an overview of the Walkers' medical expenses in 2016. The total cost is more than \$7,000, but the Walkers pay only 8% of the total.

Medical Service*	Total Cost	New PPO Plan Covers**	Betsy's Out-of-Pocket Cost	BU Health Care FSA Contributions***	Betsy's Total Cost
Preventive care (annual checkups)	\$1,400	\$1,400	\$0	\$0	\$0
Regular doctor sick visits (six visits at \$150 each)	\$900	\$720	\$180	\$0	\$180
Visits to a specialist (two visits at \$300 each)	\$600	\$540	\$60	\$0	\$60
Emergency room visits (two visits at \$750 each but no hospital admissions)	\$1,500	\$1,300	\$200 in copays	\$0	\$200
Diagnostic imaging test (\$1,500 for an MRI)	\$1,500	\$1,125	\$375	(\$375)	\$0
Prescriptions (eight preferred brand, retail, at \$200 each)	\$1,600	\$1,280	\$320	(\$125)	\$195
Prescriptions (six generics, retail, at \$35 each)	\$210	\$162	\$48	\$0	\$48
TOTAL	\$7,710	\$6,527	\$1,183	(\$500)	\$683

* Costs assume care is received from a BCBS National PPO Network provider.

** Costs are based on national averages and do not represent your actual costs.

*** Assumes BU Health Care contributions of \$500 to Betsy's FSA.

In Summary

- The Walker's preventive care is covered at 100%, so there are no out-of-pocket costs.
- Billy's emergency room visit is a \$100 copay. He receives an MRI which is subject to the individual deductible of \$250 and the remaining cost is covered at 90% by the plan.
- Since BU contributes \$500 to Betsy's Health Care FSA, she can use that money to pay the deductible of \$250 and any remaining costs.
- Betsy's office visits are subject to a copay, and the deductible does not apply. She could have lowered these costs by visiting providers in the BMC network.
- Allison has a bike accident and pays \$100 for the emergency room visit.
- The Walkers do not reach the out-of-pocket maximum and spend a total of \$683 out-of-pocket.
- If Betsy had contributed to the Health Care FSA, she could have saved even more money by using pretax dollars to pay the \$683.



Contributions to the Health Care FSA

If you elect the new PPO Plan, you may be eligible for a BU contribution to your Health Care FSA that can be used to pay for eligible out-of-pocket expenses, like your deductible. The amount BU contributes is based on your salary and coverage level, as follows:

Salary Tier	2016 FSA Contribution from BU	
	Single	Family
<\$70,000	\$250	\$500
\$70,000 - \$100,000	\$125	\$250
>\$100,000	No contribution	

Pay Eligible Expenses Tax-Free with a Health Care Flexible Spending Account (FSA)

The Health Care FSA is an easy way to pay for eligible health care expenses with tax-free dollars. You can contribute pretax dollars to an FSA (up to the annual IRS maximum) and use that money to pay for such eligible expenses as your deductible, copays, coinsurance, and out-of-pocket dental and vision expenses. But estimate carefully. You forfeit any unused amount that remains in your FSA at year-end. For more information on the Health Care FSA, see page 12.

The Health Care FSA

You are eligible to contribute to a Health Care FSA if you enroll in the new PPO.

The Health Care Flexible Spending Account (FSA) allows you to pay for many health care expenses with pretax dollars. You can contribute up to \$2,550 to the Health Care FSA for 2016.

Key Features

The Health Care FSA offers these key features to stretch your health care dollars:

- **Contributions from BU.** BU may contribute to your Health Care FSA on your behalf if you enroll in the new PPO Plan. The amount of BU's contribution depends on your salary and coverage level. See page 17 for more information.
- **Estimate Carefully.** You cannot change your contributions during the year unless you experience a qualified midyear change, so estimate your 2016 expenses carefully. Review your out-of-pocket health care expenses from 2015 and consider new expenses you may have next year to help with your estimate. You can also use the online calculator available at www.bu.edu/hr/oe.
- **Manage Your Account Online.** You can visit the P&A Group website at www.padmin.com to view your account balance(s) and submit claims online.
- **Debit Card.** You will receive a MasterCard debit card to use to pay for your eligible expenses wherever MasterCard is accepted. In most cases, you won't have to file a paper claim. But be sure to keep your receipts in case P&A Group needs to validate your expenses in order to comply with IRS regulations that govern this plan.
- **Re-enroll Every Year.** Your Health Care FSA elections do not roll over each year. You need to enroll each year in order to contribute. You may not change your contribution unless you have a qualifying life event.
- **"Use It or Lose It" Rule.** According to IRS rules, you forfeit any unused FSA dollars for which you have not incurred eligible expenses through March 15 following the calendar year during which you contributed to an FSA. If you leave BU, you can continue participating in your Health Care FSA through COBRA on an after-tax basis, or you may continue to submit claims for reimbursement of expenses incurred through the last day of your employment.

Eligible Expenses

The IRS determines what expenses qualify for reimbursement from an FSA. Examples of eligible expenses include your out-of-pocket costs associated with:

- Health, dental and vision expenses not covered by medical insurance
- Prescription drugs
- Medical equipment
- Hearing tests and aids
- Speech and physical therapy
- Eyeglasses and contact lenses

Elective cosmetic treatments are not eligible unless they are considered medically necessary. For a complete list of eligible expenses, visit www.irs.gov and see Publication 502.

The BU Health Savings Plan

The BU Health Savings Plan is a high deductible health plan that represents the fastest growing type of health plan in the United States. This type of plan is unique in that enrollment in this type of plan qualifies participants to enroll in a Health Savings Account (HSA) that provides savings for both current and long-term health expenses.

BU Health Savings Plan	
<p>An IRS-Qualified High Deductible Health Plan A plan that provides comprehensive medical and prescription drug coverage and meets IRS high deductible qualifications.</p>	<p>A Health Savings Account (HSA) A tax-advantaged savings feature that lets you save money to cover medical expenses now and in the future.</p>

The BU Health Savings Plan covers the same types of expenses the new PPO Plan covers, including 100% coverage for preventive care. Also, the same BCBS National PPO Network of providers applies to both plans.

Provider Choice

You and your family have the freedom to choose any provider when you need care. Your costs are lower when you choose a BCBS in-network provider:

\$\$ BCBS In-Network	\$\$\$ Out-of-Network
<p>Your out-of-pocket costs are lower if you choose a provider from the BCBS National PPO Network.</p> <p>For a list of BCBS PPO providers, visit https://findadoctor.bluecrossma.com.</p> <p>Select the <i>Blue Care Elect Network with Hospital Choice Cost Sharing</i> feature to access the network of providers covered under this plan.</p>	<p>When you choose an out-of-network provider, you are still covered by the plan, but you will have higher out-of-pocket costs.</p>

Annual Deductible

For all eligible expenses other than in-network preventive care, you pay the full amount until you reach the annual deductible. The deductible that applies depends on the provider you choose and your coverage level:

Deductible	BCBS In-Network	Out-of-Network
Single	\$1,500	\$3,000
Family	\$3,000	\$6,000

Copayments

The BU Health Savings Plan incorporates coinsurance as a way to share costs and does not use copayments.

Coinsurance

For all eligible expenses other than in-network preventive care, once you meet the deductible you and the plan pay a percentage of total cost of care. The coinsurance percentage you pay depends on the type of expense and the provider you choose:

Coinsurance Percentage You Pay (After Deductible)

Expense	BCBS In-Network	Out-of-Network
Medical expenses (e.g., office visits, in- and outpatient services, etc.)	10%	30%
Prescription expenses	10%	Not covered

Prescription Drugs

Prescription drug coverage is provided through OptumRx. Prescription drug expenses count toward the same deductible and out-of-pocket maximum as any other medical expense. Certain preventive medications are covered at no cost to you.

For non-preventive medications, you pay the full amount of the prescription drug until you reach the medical plan deductible. Then you pay coinsurance up to the annual out-of-pocket maximum.

The coinsurance percentage you pay is the same, regardless of where and how your prescription is filled.

Annual Out-of-Pocket Maximum

The annual out-of-pocket maximum limits the amount you pay for medical and prescription drug expenses each year, as shown in the table below. Once these annual out-of-pocket maximums are reached, the plan covers 100% of the eligible costs for the remainder of the calendar year:

Out-of-Pocket Maximum

Expense	In-Network	Out-of-Network
Medical and Prescription Drug Expenses		
Single	\$3,000	\$6,000
Family	\$6,000	\$12,000

Contributions to the Health Savings Account (HSA)

If you elect the BU Health Savings Plan and enroll in and contribute to the Fidelity HSA, BU will contribute an amount to your HSA that can be used to pay for eligible out-of-pocket expenses, like your deductible and coinsurance. The amount BU contributes is based on coverage level, as follows:

2016 HSA Contribution from BU	
Single Coverage	Family Coverage
\$500	\$1,000

Pay Eligible Expenses Tax-Free with a Health Savings Account (HSA)

The HSA is an easy way to pay for eligible health care expenses with tax-free dollars. You can contribute pretax dollars to an HSA (up to the annual IRS maximum) and use that money to pay for such eligible expenses as your deductible, copayments, coinsurance, and out-of-pocket dental and vision expenses.

Best of all, there is no limit to the amount you can accumulate in an HSA over time. If you don't need to use your HSA in the current year, your balance simply rolls over to the next year.

The Health Savings Account (HSA)

If you elect the BU Health Savings Plan, you are eligible to open a Health Savings Account (HSA) through Fidelity. It's a tax-exempt account established primarily to pay for qualified out-of-pocket expenses not covered by the health plan. Money in your HSA can be used to pay for deductibles, coinsurance, and qualified health services such as doctor visits, hospital care and prescription drugs.

Key Features

Here are some key features of the HSA:

- **Triple tax advantage.** Money you contribute to the HSA is tax-free, the account grows tax-free and you pay no taxes when you use the money for qualified health expenses.
- **No "Use It or Lose It" Rule.** Unlike with a Flexible Spending Account, unused balances carry over year to year.
- **Contributions from BU.** BU contributes to your Fidelity HSA on your behalf, as long as you contribute as well. The amount of BU's contribution depends on your coverage level.
- **Portability.** If you change plans, retire or leave the University for any reason, you keep your account balance.
- **Investment options.** Money in your HSA can grow through investment earnings. You can choose to invest amounts of at least \$2,500 in one or more investment funds. Until then, those amounts earn interest in a cash account.
- **Hassle-free contributions and withdrawals.** You can contribute to your HSA through easy payroll deductions that you may change at any time. For withdrawals, you can use your Fidelity-provided debit card. Or you can log in to your Fidelity account and elect to pay a provider or request reimbursement for expenses you already paid out-of-pocket.
- **Immediate and permanent ownership.** You own your HSA even if you leave the University.
- **Rollovers.** If you already own an HSA, you can roll your current balance into this HSA. You can also roll over your balance with Fidelity from time to time to a different HSA for investment and administration by that HSA's custodian.

Eligible Expenses

The IRS determines what expenses qualify for reimbursement from an HSA. Any money you and the University contribute to your HSA can be used to pay for eligible expenses for you and your tax-qualified dependents enrolled in the BU Health Savings Plan, including:

- Doctor visits
- Hospital care
- Lab tests and X-rays
- Prescription drugs
- Dental and vision services

Elective cosmetic treatments are not eligible unless they are considered medically necessary. For a complete list of eligible expenses, visit www.irs.gov and see Publication 502.



Funding Your HSA

For 2016, the University will contribute \$500 for single coverage and \$1,000 for other coverage levels once you open and contribute to your Fidelity HSA. You immediately own the University's contributions to your HSA. Like all other money in your account, it can be used immediately to pay for eligible expenses, is tax-free and can be saved for future expenses. Even if you leave the University, these contributions remain yours.

You may contribute to your HSA using pretax dollars through payroll deduction. Your contributions plus the University's contribution cannot exceed the IRS maximum:

HSA Coverage Level	2016 IRS Limit	BU Contribution*	Maximum Employee Contribution
Single	\$3,350	\$500	\$2,850
Family	\$6,750	\$1,000	\$5,750
Additional "catch-up" contributions for those 55 and older	+ \$1,000	n/a	\$3,850/single \$6,750/family

**In order to receive University contributions, you must open an HSA with Fidelity Investments. If you have a Health Care FSA balance remaining from 2015, neither you nor the University can contribute to an HSA until April 1, 2016.*

The University's contributions will be credited to your HSA once your first payroll contribution is made to the account.

Important HSA Rules

To contribute to an HSA, you must meet the following criteria:

- You must be enrolled in a high deductible health plan as defined by the IRS; the BU Health Savings Plan is intended to qualify as a high deductible plan.
- You cannot be covered under any other medical plan.
- Neither you nor your spouse can have a Health Care Flexible Spending Account (FSA) in 2016 to pay for medical expenses.
- You cannot be claimed as a dependent on anyone's tax return.
- Neither you nor the University may contribute to the HSA once you attain age 65 if you enroll in Medicare Part A.

Medicare and Health Savings Accounts

- If you are enrolled in Medicare, you cannot be enrolled in a Health Savings Account, and you can no longer contribute to the HSA or receive employer contributions to your HSA. However, you may continue to invest your money and be reimbursed for qualified expenses.
- If you delay your enrollment in Medicare, you may continue to make contributions to your HSA past the age of 65, as long as you are still covered by a qualified high deductible health plan with Health Savings Account. In addition, you are eligible to make an additional \$1,000 in yearly HSA catch-up contributions.
- If you enroll in SSI (the income portion of Social Security), this automatically enrolls you in Medicare Part A and you will not be eligible to contribute to your HSA or receive employer contributions.

NOTE: In Alabama, California and New Jersey, state income taxes may apply to your Health Savings Account (HSA) contributions. For more information, consult your personal tax advisor.

Compare the Health Care FSA and the HSA

A Health Care Flexible Spending Account (FSA) or a Health Savings Account (HSA) can help you save on taxes for out-of-pocket medical, dental and vision expenses. The University may contribute to these accounts to help offset your costs, and you can contribute your own tax-free dollars as well.

Your eligibility depends on the medical option you elect. Consider the differences between these two accounts when selecting a medical plan:

Account Feature	Health Care FSA for PPO Members	HSA for BU Health Savings Plan Members
Eligibility	Faculty/staff not enrolled in the BU Health Savings Plan	Faculty/staff enrolled in the BU Health Savings Plan
Maximum annual employee contribution <i>Includes BU contributions</i>	Up to \$2,550*	\$3,350 for single coverage \$6,750 for family coverage
BU contributions <i>Note: You must be enrolled in the new PPO to receive this contribution</i>	Amount depends on your base salary and coverage level, as shown here: Under \$70,000: \$250 single/\$500 family \$70,000-\$100,000: \$125 single/\$250 family More than \$100,000: No BU contribution	\$500 for single coverage \$1,000 for family coverage Must open and contribute to an HSA account with Fidelity Investments
Eligible expenses	Qualified health care expenses, including medical, prescription drug, dental and vision. The IRS maintains a list of eligible expenses.	
Tax-free earnings	No	Yes
Carry over unused funds to the next year	You have until March 15 of the following plan year to incur expenses and use any remaining money in your FSA	Yes, with no limit
Access to contributions	Entire amount elected for the year	Current account balance only

*This is the 2015 maximum contribution and may be subject to change in 2016.

2016 Medical Contribution Rates

The following charts provide the 2016 weekly and monthly contributions for employees working 75% or more of a full-time schedule and employees working at least 50% of a full-time schedule but less than 75% of a full-time schedule.

For 2016, the new PPO Plan rates are 7% lower than the previous HMO Plan rates. In addition, 2016 PPO Plan rates will be 35% lower than the current 2015 PPO Plan rates:

Faculty and Staff Working 75% or More								
	New PPO Plan				BU Health Savings Plan			
	Weekly Employee	Weekly Employer	Monthly Employee	Monthly Employer	Weekly Employee	Weekly Employer	Monthly Employee	Monthly Employer
Employee only	\$35.80	\$107.40	\$155.13	\$465.39	\$27.54	\$107.40	\$119.35	\$465.39
Employee plus child(ren)	\$65.33	\$196.00	\$283.11	\$849.33	\$50.26	\$196.00	\$217.81	\$849.33
Employee plus spouse	\$75.18	\$225.53	\$325.77	\$977.31	\$57.84	\$225.53	\$250.63	\$977.31
Family	\$104.71	\$314.13	\$453.75	\$1,361.25	\$80.56	\$314.13	\$349.09	\$1,361.25

Faculty and Staff Working at Least 50% but Less Than 75%								
	New PPO Plan				BU Health Savings Plan			
	Weekly Employee	Weekly Employer	Monthly Employee	Monthly Employer	Weekly Employee	Weekly Employer	Monthly Employee	Monthly Employer
Employee only	\$71.60	\$71.60	\$310.26	\$310.26	\$67.47	\$67.47	\$292.37	\$292.37
Employee plus child(ren)	\$130.67	\$130.67	\$566.22	\$566.22	\$123.13	\$123.13	\$533.57	\$533.57
Employee plus spouse	\$150.36	\$150.36	\$651.54	\$651.54	\$141.69	\$141.69	\$613.97	\$613.97
Family	\$209.42	\$209.42	\$907.50	\$907.50	\$197.35	\$197.35	\$855.17	\$855.17

We Are Here to Help

Visit www.bu.edu/hr/oe for more information on the 2016 plan changes and the upcoming Open Enrollment period.

Attend an Educational Meeting hosted by Human Resources.

Find the schedule of meetings at www.bu.edu/hr/oe.

Contact the Human Resources Service Center for answers to your questions regarding the 2016 changes, as well as for all other employee benefits for the upcoming Open Enrollment period.

Boston University Contact		
Human Resources Service Center		www.bu.edu/hr/oe email: hr@bu.edu 617-353-2380
Vendor Contacts		
Health Insurance	Blue Cross Blue Shield of Massachusetts	www.bcbsma.com 1-800-814-4371
Health Savings Account (HSA)	Fidelity	www.netbenefits.com 1-800-343-0860
Health Care FSA	P&A Group	www.padmin.com 1-800-688-2611

The plan descriptions contained in this Guide were written from the documents that legally govern how the plans work. In the event of any discrepancy between the plan descriptions in this Guide and the controlling contracts or plan documents, the language in the controlling contracts or plan documents will govern.

