

discover the benefits



Consumer Directed Health Plans



employee benefits
administrators

A Division of Tim Davis & Associates, Inc.

Partner With Your Employees

Today More Than Ever... Market Trends Influence Consumer Demand

Today, many factors are converging to create an environment that is ripe for change.

- Health care costs continue to rise at alarming rates, with new medical technology and prescription drug costs leading the way.
- Covered employees are unhappy with the current system, increased cost sharing and restrictions placed upon them by managed care.
- Increasing red tape and administrative burdens continue to cause

health care providers to lose confidence in managed care.

- Employers are frustrated with runaway costs and are looking for new ways to enrich their health benefit programs to attract and retain high quality employees.

While consumer directed health care continues to evolve in various forms, the underlying theme is teamwork. By working together, employers are discovering that helping employees become more effective consumers of health care services is critical to cost control and employee satisfaction. Participants are learning that active involvement and behavior modification can have a very

positive impact on their future health and well being as well as the success of their organization.

Your Personal Health Account Empowers Your Employees!

To offer Health Reimbursement Accounts (HRAs) or Health Savings Accounts (HSAs), employers offer a fully insured or partial self-funded high



Comparing Consumer Directed Options

HSA and HRA-compatible health plans are available to meet the needs of clients interested in embracing a consumer directed benefit model. In addition to HSA-compliant high-deductible health plans, we also offer plan options that partner easily with our HRA and traditional flexible spending (FSA) plans. Debit cards offer employees immediate access to HSA, HRA or FSA funds at the point of purchase and helpful web-based tools are very easy to use.

How Consumer Directed Options Compare	FSA	HRA	HSA
Funds are contributed by:	Employer/ employee	Employer only	Employer/ employee
<i>Is a high-deductible health plan required?</i>	No	No	Yes
<i>Are employee contributions made on a before-tax basis?</i>	Yes	n/a	Yes
<i>Can unused funds roll over from year to year?</i>	No	Yes	Yes
<i>Is the program portable?</i>	No	No	Yes
<i>Can vision or dental expenses be reimbursed?</i>	Yes	Yes	Yes
<i>Can over-the-counter medical expenses be reimbursed?</i>	Yes	Yes	Yes
<i>Can debit cards be provided?</i>	Yes	Yes	Yes

And Reduce Health Care Costs!

Take A Closer Look

The following illustration demonstrates how a family in good health can benefit from a HRA or HSA over a two-year period, assuming 100% rollover of unused claim funds. Again, unused funds remaining in a HSA belong to the employee following termination of employment, while unused funds in a HRA revert back to the company upon retirement or termination of employment.

Year One

Employer HRA or HSA Contributions	\$2,000.00
Expenses:	
Routine Office Visits	500.00
Routine Lab Expenses	300.00
Total Expenses Year One	800.00
Amount Paid From HRA or HSA	800.00
Member Out of Pocket Expenses	0.00
First Year Savings	\$1,200.00
Rollover to Year Two	\$1,200.00

Year Two

Employer HRA or HSA Contributions	\$2,000.00
Rollover From Year One	1,200.00
Total Available in HRA or HSA Year 2	3,200.00
Expenses:	
Physical Exam	300.00
Preventive Care	500.00
Rx Medication	400.00
Total Expenses Year Two	1,200.00
Amount Paid From HRA or HSA	1,200.00
Member Out of Pocket Expenses	0.00
Rollover to Year Three*	\$2,000.00

* Actual rollover amount will depend upon individual plan design

deductible core health plan, which we administer. The reduced premiums for the core plan allow the employer to fund a HRA or HSA (Personal Health Account) for all eligible employees. This account will provide first dollar coverage with no deductible or co-pay, for expenses below the core plan deductible or for expenses not routinely covered under traditional plans.

As eligible expenses are paid through the HRA or HSA, they also reduce the core plan deductible. Once the HRA or HSA is depleted, the employee is responsible for any remaining deductible and coinsurance, based upon plan design. Any excess HRA funds may be rolled over to the following year, tax-free. With a HSA, unused funds not only roll over from year to year tax free, but they revert to the employee upon retirement or termination of employment (similar to a 401(k) savings plan or a IRS approved tax deferred retirement account).

Discover the Benefits Today...

Empowering your employees means offering them choices. Working with us means you and your employees will understand the financial impact of these choices.

To learn how our consumer directed health benefits strategy can improve your bottom line, ask your agent or contact our sales staff today.





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