

## HCR·ManorCare

### Frequently Asked Questions About the Consumer-Directed Health Plan

The more you know about the new Consumer-Directed Health Plan, the more you'll appreciate all it has to offer. Below, we've answered some of the most frequently asked questions about the new plan.

#### General Questions

**Q:** Why is HCR Manor Care changing to a Consumer-Directed Health Plan?

**A:** We need to manage the problem of rising health care costs. At the same time, we want to continue offering health benefits that meet your needs. The Consumer-Directed Health Plan (CDHP) gives us a way to do both. For you, this means the opportunity to participate in a plan that combines new as well as traditional features, and offers comprehensive coverage. It also means lower premium contributions, because we can pass the savings the plan generates on to you.

**Q:** What are the advantages of the CDHP?

**A:** The CDHP offers you:

- 100% coverage for in-network preventive care
- A health fund that can accumulate from year-to-year
- The freedom to receive care from any licensed provider with no referrals required
- Information, resources and tools to help you use your fund wisely and enjoy better health

**Q:** Why is HCR offering CDHPs from multiple carriers?

**A:** First, we wanted to be able to offer the broadest possible network of providers in your area. In most locations, you will have a choice of two carriers. That way, you're more likely to find the doctors you already know and use in at least one of the carrier's networks.

**Q:** How do I know which carriers are available in my area?

**A:** Your enrollment package will contain information about which carriers are available in your location. In addition, plan names and the associated carrier will be listed on your personal enrollment form.

**Q:** Who can I call with questions about the plan?

**A:** Here's how to contact the carriers that will be administering our plan:

**Aetna**

Aetna Member Services – (800) 938-0508

Aetna online – [www.aetna.com](http://www.aetna.com)

**Lumenos**

Lumenos Member Services – (866) 258-1611

Lumenos online – [www.info.lumenos.com](http://www.info.lumenos.com)

**United Healthcare**

United Healthcare Member Services – (800) 430-8432

United Healthcare online – [www.unitedhealthcare.com](http://www.unitedhealthcare.com)

## Health Fund Questions

**Q: Do I need to make contributions to my health fund?**

**A:** No. Money is credited to your health fund through incentives when you participate in certain wellness and prevention activities at any time during the year.

**Q: How soon is my health fund credited after I complete an incentive?**

**A:** It will take one to two weeks for your health fund to be credited. For preventive care services, the provider has to submit the claim before the credit is posted to your health fund. Due to this lead time, be sure to complete your incentives as early in the year as you can so health fund dollars will be available for covered expenses. It's important to remember that only the money currently available in your health fund is used for covered expenses. You can't use money you haven't yet earned.

**Q: I'm already registered at one of the carrier websites. Do I have to re-register to receive \$50 in my health fund?**

**A:** No. If you are already registered with Aetna or United Healthcare, your health fund will automatically be credited with \$50 on January 1, 2005.

**Q: What expenses are paid from my health fund?**

**A:** Expenses that are covered under the medical plan are paid from your health fund. In your Guide to Benefits, you'll find a Summary of Benefits chart that shows covered expenses. When you receive care, these expenses are paid first from your health fund.

**Q: How does the health fund pay prescription drug expenses?**

**A:** When you fill a prescription at a preferred pharmacy, the full, negotiated cost of the prescription is paid from your health fund and applied toward the annual deductible. This continues until your health fund is depleted. If at this time you still haven't met the deductible, you pay any further prescription drug expenses out of your own pocket until the deductible is met. After this, you pay 25% of drug expenses up to a maximum of \$50 per prescription at a retail pharmacy and up to \$100 using the mail-order service.

Note that if you fill your prescription at a non-preferred pharmacy, the plan pays no benefits.

**Q: Can I decide which expenses I want paid from my health fund?**

**A:** No. Covered expenses are paid automatically from the health fund as long as there is money in the fund.

**Q: Can each of my dependents have his or her own health fund?**

**A:** No. All covered family members share one fund.

**Q: If I have out-of-pocket expenses in one year, can I carry them over and have them paid by my health fund the next year?**

**A:** No. Your fund can only be used to pay for covered expenses incurred in the current year.

**Q: What happens to my health fund balance if I leave the plan?**

**A:** Your balance is lost if you leave the plan for any reason.

**Q: If I have money left in my fund at the end of the year, can I take the balance in cash?**

**A:** No. The money in your fund can only be applied to covered expenses. It's not available to you as cash.

**Q:** How do I know how much I have in my health fund?

**A:** You can check your fund balance at your carrier's website or by calling member services:

**Aetna**

Aetna Member Services – (800) 938-0508

Aetna online – [www.aetna.com](http://www.aetna.com)

**Lumenos**

Lumenos Member Services – (866) 258-1611

Lumenos online – [www.info.lumenos.com](http://www.info.lumenos.com)

**United Healthcare**

United Healthcare Member Services – (800) 430-8432

United Healthcare online – [www.unitedhealthcare.com](http://www.unitedhealthcare.com)

**Q:** Is the money in my health fund taxable?

**A:** No. Your health fund is considered a benefit, so it is not taxed as income.

## Cost Sharing Questions

**Q:** What happens when I go to an out-of-network provider who charges more than the reasonable and customary charge for a service?

**A:** When you use an out-of-network provider, he or she will bill the carrier. You will be billed for the excess over the reasonable and customary charge. If you have a Flexible Spending Account - Health Care, you can submit a claim to be reimbursed for amounts over the reasonable and customary charge.

**Q:** Does the CDHP offer any protection for balance billing, as an HMO would?

**A:** Yes. If you use an in-network provider, the plan's benefit is based on the negotiated amount for covered services. If you use an out-of-network provider, the benefit is based on the reasonable and customary charge. You pay any amount over the reasonable and customary charge out of your own pocket.

**Q:** If I receive care from an out-of-network provider, how is the cost of that care charged against the health fund and deductible?

**A:** Any covered expenses are paid first from the health fund and applied toward the deductible. If your fund is exhausted and the deductible is met, the plan pays benefits at the out-of-network level for any other out-of-network expenses.

**Q:** Do I need to file claims for benefits in the CDHP?

**A:** If you use in-network providers, they will file claims for you. If you use out-of-network providers who require you to pay for services at the time of your visit, you'll need to file a claim for reimbursement from the plan.

**Q:** Do my out-of-pocket expenses for prescription drugs apply toward the annual out-of-pocket maximum?

**A:** No. Out-of-pocket expenses for prescription drugs apply only toward the annual deductible, but not the out-of-pocket maximum.

## PPO Medical Plan Questions

**Q:** Does the PPO medical plan in the CDHP work like the current PPO plan?

**A:** The plans are very similar. The main difference is the annual deductible is slightly higher. However, by participating in certain prevention and wellness incentive activities, you can earn health fund dollars that are applied to your deductible. Because covered expenses are paid first from the health fund, you can think of any health fund dollars you earn as a reduction in your deductible.

**Q:** My child is away at college. Does she have to come home to receive non-emergency medical care?

**A:** No. The CDHP includes a PPO medical plan, so your child is covered for medical treatment regardless of where or by whom it is provided. The amount of the plan's benefit depends on whether the child sees an in-network or out-of-network provider.

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## PPO Medical Plan Questions (continued)

**Q:** Does the plan have a lifetime maximum benefit?

**A:** Yes. For 2005, the lifetime maximum benefit will be \$1.5 million, an increase over the previous \$1 million benefit. Also, when the new plan goes into effect on January 1, 2005, the current lifetime maximum will begin at zero. Any amounts you have currently accumulated toward the maximum will be zeroed out and you will start over again with a new lifetime maximum.

## Preventive Care Questions

**Q:** What are some examples of preventive care services?

**A:** Preventive care services include routine physicals (including immunizations and routine diagnostic X-ray and lab services); routine child and well-baby care; routine Ob/Gyn care (including Pap smear); routine mammography; and routine cancer screenings.

## Flexible Spending Account Questions

**Q:** What's the difference between the health fund and a Flexible Spending Account – Health Care (FSA-HC)?

**A:** The health fund is an account set up by HCR Manor Care. HCR credits your account when you complete certain prevention and wellness incentive activities. When you have covered expenses, they are paid from the health fund first. In contrast, when you enroll, you make contributions to your FSA-HC automatically from each paycheck. You can use the FSA-HC to reimburse yourself for eligible expenses, which are determined by the IRS. Some of these expenses are not covered by your medical plan, but are eligible for reimbursement from your FSA-HC.

**Q:** Can I choose which is used first – the health fund or FSA-HC?

**A:** No. When you have a covered expense, it is paid first from the health fund. However, if you have an expense that is not covered under the plan but is eligible for reimbursement under your spending account, you can submit a claim and have it reimbursed. Remember, the health fund is used only for covered expenses and any expenses paid from the fund cannot be submitted for reimbursement from your FSA-HC.