



## Next Generation HSA™

*For Individuals and Families*



# Introducing Next Generation HSA



## The Revolution in Health Insurance is Here

There's a revolutionary new way of thinking about health insurance—it's called "Consumer Choice," and it's designed to help people make the right choices for their own healthcare. The idea is simple—you choose and pay for only what you need, keeping costs at the lowest possible levels.

## Next Generation HSA is a Big Part of the Revolution

Next Generation HSA is part of a suite of revolutionary Consumer Choice products from American Community. It's a qualified high-deductible PPO health plan that can be used with a Health Savings Account (HSA). Beyond the catastrophic coverage everyone needs, Next Generation HSA sets a new standard for HSA plans—it also offers the choice and value everyone wants.

## What Sets Next Generation HSA Apart?

All qualified high-deductible health plans provide health insurance that can be used with an HSA to help people cover their deductibles and pay their share of medical expenses with tax-free funds. What sets Next Generation HSA apart from the others is greater value and choice, not only for medical care, but also for administration of the HSA. This PPO/HSA plan offers three options for fund administration:

- ✓ Basic account administration with no monthly fees,
- ✓ Enhanced fund administration that includes online claim information for a low monthly fee,
- ✓ Any other financial institution of the member's choice.

Refer to the American Community *HSA Fund Administration Options* flyer for additional details.

## The Health Plan—Revolutionary Protection and Revolutionary Choices

Protection and flexibility define Next Generation HSA. Along with standard doctor and hospital benefits, the plan includes an accident benefit—we'll even waive the deductible and provide immediate coverage for the first 30 days following an injury. Preventive care and prescription drug coverage are also included. Next Generation HSA offers PPO plan design flexibility with 6 deductibles and 2 coinsurance choices.

The standard deductible is “common family” (the family must meet a deductible before any family member begins receiving benefits), which re-sets at the beginning of each benefit period. But Next Generation HSA offers other deductible arrangements:

- ✓ Single “Embedded” Deductible on a Family Policy (optional)—a family member begins receiving benefits after reaching his or her single “embedded” deductible instead of waiting to reach the common family deductible. This amount may be adjusted annually for changes in the U.S. Consumer Price Index (CPI).
- ✓ Benefit Period Deductible (included)—the deductible re-sets on the anniversary of the policy effective date rather than at the beginning of the next calendar year.

Other plan options include maternity care\* and dental coverage.

*\*Not available in all states. Please see state-specific benefit chart for details.*



# About the HSA Fund

## How Your HSA Works

If you are covered by a qualified high-deductible health insurance plan, you can make contributions to an HSA. Each year, you can deposit up to the annual contribution limit\* set by the IRS. You withdraw money from the account, as needed, to pay for medical expenses to satisfy deductibles, pay for medical expenses not covered by your insurance, and pay for certain premiums such as a long-term care insurance contract. Any funds left over at the end of the year remain in your account, accumulating interest, tax-deferred, year after year. Any withdrawals used for qualified medical expenses are never taxed.

*\* This amount may be adjusted annually for changes in the U.S. Consumer Price Index (CPI).*

## HSA Requirements and Eligibility

- ✓ You must be enrolled in a qualified high-deductible health insurance plan, like the Next Generation HSA, and not be covered under any other health insurance providing similar benefits.
- ✓ The plan must have a deductible above the annual minimum amount\* required.
- ✓ You or your dependents cannot be enrolled in Medicare.
- ✓ The policyholder cannot be claimed as a dependent on another person's tax return.

*\* This amount may be adjusted annually for changes in the U.S. CPI.*



## How Your HSA Saves

Because Next Generation HSA is a qualified high-deductible health plan, you pay lower premiums.

Let's look at some examples:

Individual Plan Example— Monthly Costs	HSA*	Traditional**
<i>Figures are based on rates for a 42-year-old, non-smoking male.</i>		
Premium	\$113	\$229
Tax-Deductible Monthly HSA Deposit (optional)	+ \$116	+ \$0
Total Monthly Cost	\$229	\$229
Tax Savings (33% of deposit)	– \$38	– \$0
Net Monthly Cost (Premium plus Monthly HSA Deposits)	\$191	\$229
Annual Cost (Premium plus HSA Deposits)	\$2,292	\$2,748
<b>Annual Savings: Premium Savings of \$456 + \$1,392 in your HSA</b>		

Family Plan Example — Monthly Costs	HSA*	Traditional**
<i>Figures are based on rates for a family of four with 42-year-old, non-smoking parents and two dependent children.</i>		
Premium	\$301	\$736
Tax-Deductible Monthly HSA Deposit (optional)	+ \$435	+ \$0
Total Monthly Cost	\$736	\$736
Tax Savings (33% of deposit)	– \$144	– \$0
Net Monthly Cost (Premium Plus Fund)	\$592	\$736
Annual Cost (Premium Plus Fund)	\$7,104	\$8,832
<b>Annual Savings: Premium Savings of \$1,728 + \$5,220 in your HSA</b>		

*These figures are used for illustrative purposes. Exact premiums and cost of coverage may vary. \*HSA Plan: \$2,700 deductible, then claims paid at 100% network, 75% non-network. \*\*Traditional Plan: \$500 deductible, then claims paid at 80% network; 50% non-network. This example assumes that no medical expenses are incurred.*

## Tax Advantages

- ✓ Deposits to the HSA are 100% tax deductible.
- ✓ Interest that accrues on the money in the account is tax deferred.
- ✓ Withdrawals from the account, which are used to pay for qualified healthcare expenses as defined by the IRS, are tax free.



# About the Health Plan

## How Your Health Plan Works:

- ✓ Choose your deductible for either an individual or family plan
- ✓ Choose your benefit percentage, either:
  - 100% network/75% non-network
  - 80% network/50% non-network
- ✓ Select plan options: maternity, dental and/or embedded single deductible (*maternity coverage is not available in Texas*).

100% Plan Deductibles*		
Individual	Common Family	Embedded Family
\$1,150**	\$2,300**	
\$1,500	\$3,000	
\$2,100**	\$4,200**	\$4,600**
\$2,700**	\$5,450**	\$5,450**
\$3,500	\$7,000	\$7,000
\$5,000	\$10,000	\$10,000
<b>Benefit Percentage:</b> 100% network / 75% non-network		

80% Plan Deductibles*		
Individual	Common Family	Embedded Family
\$1,150**	\$2,300**	
\$1,500	\$3,000	
\$2,100**	\$4,200**	\$4,600**
\$2,700**	\$5,450**	\$5,450**
\$3,500	\$7,000	\$7,000
<b>Benefit Percentage:</b> 80% network / 50% non-network		

\*Network deductible shown. The deductible for non-network is two times the network deductible.

\*\*These may be adjusted annually for changes in the U.S. CPI)

## Covered Expenses

- Allergy testing
- Ambulance
- Chemotherapy
- Durable medical equipment
- Emergency room
- Home healthcare
- Hospice care
- Hospital charges
- Intensive care
- Mammograms
- Miscellaneous tests, services, and medical supplies
- Nursing care
- Organ transplants
- Oxygen, blood, and plasma
- Physician visits
- Prescription drugs
- Preventive care
- Radiation treatment
- Second surgical opinions
- Semi-private room
- Skilled nursing facilities
- Speech, physical and occupational therapy
- Surgery and anesthesia
- X-rays and lab tests

*Please refer to your state-specific benefit chart for more details.*

## Deductible

The deductible is the amount of covered charges an individual or family must incur in a 12-month benefit period before the plan begins to pay benefits

## Coinsurance

This is the set percentage of costs you pay for health care after your deductible is met. For example, after your deductible is met, you might pay 20% of your health care expenses while your plan pays the remaining 80%.

## Benefit Period

The benefit period means the 12-month period beginning on the effective date of the policy and reoccurring every 12 months thereafter.

# Key Plan Features

## Your Provider Network

With Next Generation HSA, you have the freedom to choose your own doctor or hospital. You can minimize your share of the healthcare costs by using doctors and hospitals that are part of your preferred provider organization (PPO) network. American Community has contracted with the leading PPO networks across the country, offering access to high-quality hospitals, primary care physicians, specialists and other providers. If your doctor or hospital is not a member of the PPO, you share in more of the costs of your medical expenses. What makes our PPO plan so desirable is that it allows you access to a specialist when you feel it is necessary. A referral is not required to access a specialist. Your PPO network is shown on the front of your medical identification (ID) card.

In addition, you can receive the PPO network level of benefits when traveling outside your PPO network service area through a coordinated program with a nationwide PPO network. It's the perfect solution for road warriors, snowbirds and students who attend out-of-state colleges. There is no additional fee for this value-added benefit and a toll-free number is provided on the back of your medical ID card to help you locate available network providers.

Contact your American Community agent for the PPO networks available to you. For a list of available providers, visit our website at [www.american-community.com](http://www.american-community.com) and click on "Provider Locator."

## Accident Benefit

You have enough to worry about when you or an insured family member is injured. With Next Generation HSA's accident benefit, you have immediate coverage for an injured family member:

- ✓ The deductible is waived for the first 30 days following an injury
- ✓ Covered charges are paid at your selected benefit percentage

## \$5 Million Lifetime Maximum

Your policy provides total plan benefits up to a lifetime maximum of \$5 million per covered person. That's total peace of mind.

## Accidental Death and Dismemberment Benefit (AD&D)

Next Generation HSA's Accidental Death and Dismemberment benefit provides up to \$10,000 for the accidental death or dismemberment of the primary insured\*.

*\*AD&D benefit is not available in Iowa or Texas.*

## Prescription Drug Program

The Prescription Drug program provides:

- ✓ Use of a prescription drug discount card and mail-order service
- ✓ Your choice of generic or brand name prescription medicines
- ✓ Eligible prescriptions are covered at your selected network benefit percentage once your deductible is met

*For prescription medicines obtained at a non-network pharmacy or at a network pharmacy without presenting your discount card, you must submit copies of the receipts to American Community for reimbursement. Once the non-network benefit period deductible has been met, eligible prescriptions will be covered at the non-network benefit percentage.*

# Health Plan Options



## Optional Embedded Deductible

For family deductibles of \$4,600\* or higher, you can choose an “embedded” deductible. With this option, each family member begins receiving benefits once his/her single deductible has been reached. Once the family deductible is met, all covered family members receive benefits.

*\* This amount may be adjusted annually for changes in the U.S. CPI.*

## Optional Maternity Coverage

Maternity coverage is available for you or your spouse (if covered under the policy) after a waiting period from the effective date of maternity coverage. Based upon policy provisions, covered expenses include:

- ✓ Prenatal care.
- ✓ Routine delivery charges.
- ✓ In-hospital care of well newborn.
- ✓ Inpatient care and associated charges.

*Please refer to your state-specific benefit chart for details. Optional Maternity coverage is not available in Texas.*

## Optional Dental Coverage

Dental coverage is also available for individuals and families. Dental deductibles and benefit percentages, however, are separate from medical deductibles and benefit percentages. The maximum benefit per benefit period, per person, is \$1,000 for Type 1 and Type 2 expenses combined.

### Type 1 Expenses:

- ✓ No deductible is required. Charges for covered services are covered at 80% after a six-month waiting period.
- ✓ Benefits include office visits and examinations, cleanings, x-rays, diagnostics, space maintainers and pathology.

### Type 2 Expenses:

- ✓ Charges for Type 2 covered services are subject to a \$100 benefit period deductible; then covered at 50% after a 12-month waiting period.
- ✓ Benefits include fillings, oral surgery, extractions, endodontics, periodontics, crowns, inlays, bridges and dentures.



# Additional Provisions



## Premium Rates

Your premium rate is guaranteed for the first 12 months of coverage. After 12 months, American Community may modify, at any time, the applicable premium rates for all Next Generation HSA policies in your state. Modification of premium rates is determined by ALL Next Generation HSA policies within the same state, not just your claims experience.

## Renewability

Renewability is guaranteed in accordance with state and federal law, as shown in the policy. Renewability is NOT based on your claims experience.

## American Community

### Unprecedented Service is Part of the Plan

With beginnings dating back to 1938 and headquartered in Livonia, Michigan, American Community is one of the nation's oldest and most respected health insurance providers. Health insurance is what we do. Health insurance is all we do. We are known for innovation in health coverage, and for the creation of affordable products, like our new consumer-choice plans. We are also known for prompt claims payment and outstanding customer service.

Our knowledgeable and experienced staff of customer service representatives is on call to answer any question you may have regarding coverage, billing or payment of claims. Contact information will be provided with your new American Community policy.

### Your American Community Agent

Your American Community agent is an independent health insurance specialist. Health insurance is your agent's business. Dedication to the full, best interest of you, the client, is his or her specialty. You can count on this.

*This booklet is intended to highlight certain provisions of the plan described. It is not a contract, an insurance policy or a summary plan description booklet. Please see the policy for complete details, terms, conditions and full provisions of coverage.*



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