

What You Need to Know Consumer Directed Health Plans



FOR NON-AGREEMENT EMPLOYEES

What is a Consumer Directed Health Plan?

Consumer Directed Health (CDH) Plans are designed to give you more control over how you use your healthcare dollars by giving you access to your healthcare funds and the tools and resources to decide when and how to spend that money to receive healthcare. We all need to play a more active role in our health, and that means understanding the relationship between your health and your costs for healthcare so you can make smart healthcare decisions.

Beginning in 2014, you will have two CDH Plan options offered through Cigna:

- » CDH Plan – High with Health Savings Account (HSA)
- » CDH Plan – Low with Health Savings Account (HSA)

You will also continue to have the option of enrolling in a Cigna Open Access Plan (OAP) similar to the two OAPs we offer today. This plan offers more traditional coverage but will cost more in contributions each pay period.

How do CDH Plans work?

In general, CDH Plans offer comprehensive healthcare coverage for lower premiums than traditional plans. They have a higher annual deductible and include a tax-advantaged account you can use to pay for your out-of-pocket healthcare costs. Both Cigna CDH Plan options work the same way.

1. You pay lower premiums through payroll contributions.
2. Amtrak contributes to your Health Savings Account (HSA).
3. You have the option to make contributions to your HSA on a tax-free basis through payroll contributions.
4. When you need healthcare services or prescriptions, you pay the full cost until you meet your annual deductible. You can use your HSA to pay for these expenses. With Amtrak’s CDH Plan options, preventive care and prescriptions for chronic conditions are fully covered at 100% before you meet the deductible. Review the list of covered preventive care and prescriptions at www.AmtrakBenefits.com.
5. If you meet your annual deductible, the plan then pays 90% (or 80% for the Low option) of the cost of eligible in-network* services and you pay 10% (or 20% for the Low option), up to an annual out-of-pocket maximum.
6. If you reach the out-of-pocket maximum, the plan pays 100% for the rest of the plan year for in-network* services.



* You must meet separate deductibles and out-of-pocket maximums for out-of-network services.

Your two CDH Plan options differ in the amount of your payroll contributions, co-insurance and annual deductible.



A Note About Preventive Care and Wellness

Amtrak understands how important regular preventive care and improving health and wellness are to identifying and managing chronic health conditions. By engaging in disease management protocols and practicing preventive care, we can all lead healthier lifestyles, improve our health outcomes and reduce our healthcare costs.

Preventive care (including annual physicals, vaccines and most cancer screenings) is always covered in full by the CDH Plans – so you do not have to meet your annual deductible first or use your HSA funds for preventive care services. Amtrak also offers incentives through the Every Day Wellness program to complete health screenings and participate in wellness programs aimed at improving your health.

How does the Health Savings Account (HSA) work?

A Health Savings Account (HSA) is a tax-advantaged account you can use to pay for eligible healthcare services. Here's how the HSA works:

- » **Open an HSA:** When you first enroll in a CDH Plan, JPMorgan Chase (our HSA administrator), will automatically set-up an account for you and Amtrak's contribution will be made directly to your account. You may choose to use another bank that offers a qualified HSA, however you will be responsible for opening the account and setting up contributions.
- » **Amtrak makes its contribution:** Amtrak automatically contributes to your HSA. The amount Amtrak contributes is based on the coverage level you elect. And Amtrak's contribution to your account will be available at the beginning of the year so you can use it immediately.
- » **You make contributions:** If you choose to make HSA contributions, you decide how much to contribute (up to annual IRS limitations) and your contributions are deducted each pay period in equal installments. Your contributions are made before taxes are deducted, so the funds in your HSA are tax-free.
- » **Pay for healthcare:** When you go to the doctor, fill a prescription or receive other eligible healthcare services, you can use the available funds in your HSA to pay for your out-of-pocket expenses. You will receive a debit card from JPMorgan Chase that you can use just like a regular debit card at the time of service.

Because your HSA is an actual bank account, you can only use funds that have been deposited into your account. If you incur eligible healthcare expenses during the year and you do not have HSA funds available at the time, you can pay for those expenses with other money (savings, checking or using a debit or credit card) and then reimburse yourself later from your HSA with tax-free dollars. To reimburse yourself later, you can use your debit card at an ATM or write yourself a check, if you requested a checkbook from JPMorgan Chase.

- » **Rollover unused funds:** Unlike a Flexible Spending Account (FSA), if you don't use all the money in your HSA, you can rollover funds from year to year and you will even have the opportunity to invest your savings.

Why CDH Plans?

Amtrak's decision to offer new medical plan options for 2014 is part of our larger Amtrak Total Rewards and Integrated Talent Management initiative. Our goal is to provide our employees with access to benefits that are comprehensive and valuable, but also financially viable and sustainable. Coupled with a tax-advantaged Health Savings Account (HSA), Amtrak's CDH Plan options through Cigna give you the power to:

- » Be more engaged in your healthcare and healthcare spending – you choose when and how to spend your healthcare dollars
- » Spend less overall on medical services through lower per pay period contributions and access to the same network of providers you have today through Cigna for in-network services
- » Receive as good as or better quality care than you currently receive
- » Be more satisfied with your healthcare experience

How can I find out more?

Amtrak will provide you with a variety of opportunities to learn more about this new medical plan option, including: onsite meetings at many locations; materials mailed to your home; and recorded webcasts you can join when it is convenient for you. You will also be able to access resources, tools and information online at www.AmtrakBenefits.com or www.myCigna.com.

IRS LIMITATIONS

Because of the tax advantages an HSA offers, it is regulated by the IRS. To be eligible for an HSA, you must be enrolled in an eligible high deductible health plan, like the Cigna CDH Plans. Also, you may not be enrolled in any other health plan, including Medicare or retired military health benefits.

In addition, there are IRS limits on the amount you can contribute to your HSA each year and the services and supplies you can pay for with HSA funds.

For more information about IRS limitations, review IRS Publication 969 at www.irs.gov.