

NEW DEDUCTIBLE PLANS

Deductible plans • HSA-qualified deductible plans

INTRODUCING OUR NEW FAMILY OF PLANS

At Kaiser Permanente, we offer a variety of plan types so there's a good choice for almost every lifestyle and financial situation. Since active people have a broad range of diverse needs, we realized that a new group of deductible plans might offer a better fit. So we are pleased to introduce our new selection of deductible and HSA-qualified plans tailored to the needs of highly motivated, active people who are looking to better manage their health and their health care costs.

Who might be interested in our new plans?

New college grads. Freelancers and the self-employed. Early retirees. In short, if you're active and without group coverage, you should take a look.

You'll find that most benefits are very similar to what we offer with our other plans. The main difference is that overall the premiums are lower and the deductibles are higher. And you're no longer paying for benefits (such as maternity coverage) that you don't need.¹

Our new deductible plans are underwritten by Kaiser Permanente Insurance Company (KPIC). KPIC is a subsidiary of Kaiser Foundation Health Plan, Inc.

This booklet is a summary only. The KPIC *Certificate of Insurance* contains a complete explanation of benefits, exclusions, and limitations. The information provided here is not intended for use as a disclosure form, nor is it designed to serve as the *Certificate of Insurance*.



¹One plan offers limited maternity coverage.

TWO TYPES OF PLANS – EVEN MORE CHOICE!

We're offering new deductible and HSA-qualified plans in several price ranges.

Both types of plans feature our lowest premiums in exchange for higher deductibles. And, as with our other plans, preventive care services are not subject to the deductible.

Deductible plans

Our **new deductible plans** are designed for people who like things simple. No muss. No fuss. You want a copay for basic benefits, like physical exams and some preventive care, from the first day of coverage. And you want coverage for the big things—just in case.

You'll be pleased to note that many services are not subject to the deductible. **That means you can receive the following services from the first day of coverage for just a copay or coinsurance:**¹

- Physical exams
- Well-child visits (0–23 months)
- Family planning visits
- Eye exams
- Hearing tests
- Health education visits

HSA-qualified deductible plans

Our **new HSA-qualified deductible plans** are designed for people who want to take charge of their health care costs. When you enroll in one of these plans and open a health savings account (HSA), you can use tax-free savings to pay for qualified medical expenses.²

An HSA offers triple tax advantages:

- Tax-deductible contributions to your account
- Tax-free investment earnings³
- Tax-free withdrawals when funds are used for qualified medical expenses

Is a new deductible plan right for you?

It's right for 27-year-old triathlete Chelsea Swinson.⁴

Chelsea wants:

- ☒ Low premiums
- ☒ Preventive care
- ☒ Coverage for the big stuff

See how Chelsea uses her plan—page 5.



Is a new HSA-qualified deductible plan the best pick?

Recent retiree Doug Barkley, age 60, thinks so.⁴

Doug wants:

- ☒ Low premiums
- ☒ Control over his health care costs
- ☒ Tax breaks

Let Doug show you how it works—page 9.



¹This list of preventive services applies to deductible plans only. For a listing of preventive care services for our HSA-qualified deductible plans, please see the *Certificate of Insurance*.

²Tax references relate to federal income tax only.

³Earnings vary depending on the type of investment plan you opt for and/or the HSA provider you choose. Amount earned is based on the investment plan and market value, and in some instances, the account may actually lose money.

⁴These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of the health care plan and other factors.

NEW DEDUCTIBLE PLANS

Our new deductible plans offer some of our lowest premiums in exchange for higher deductibles. You must meet a deductible for many services with this plan before you are eligible for coinsurance or copayments. However, as with most of our other plans, many preventive care services are available for a copay from the first day of coverage.

New deductible plans

- **Deductible 40/3000 NM:** This plan has a \$3,000 deductible and low monthly premiums. There's a \$40 copay for preventive care and office visits, and a \$10/\$35 copay for generic/brand prescriptions (all not subject to the deductible). No maternity coverage.
- **Deductible 50/5000 NM:** This plan features a \$5,000 deductible, low premiums, and a \$50 copay for preventive care (not subject to deductible) and office visits (subject to deductible). No maternity or prescription coverage.

KEY TERMS

Copayment: specific dollar amount you pay when you receive certain covered services or prescriptions. Copayments vary depending on the plan and the service.

Coinsurance: percentage of charges you pay when you receive a covered service. Coinsurance amounts vary depending on the plan and the service.

Deductible: fixed amount you must pay in a calendar year before Kaiser Permanente will cover certain services in that calendar year.

Out-of-pocket maximum (OOPM): the most you have to pay for covered medical services in a calendar year.



MEET CHELSEA SWINSON¹

Chelsea is a single 27-year-old freelance designer—and a devoted triathlete. To stay in shape for her triathlons, Chelsea works out, eats right, and takes good care of herself. She rarely sees her doctor except for checkups or training injuries.

What Chelsea wants:

- ✓ Low premiums
- ✓ Preventive care
- ✓ Coverage for the big stuff

Chelsea's plan: Deductible 40/3000 NM

- \$3,000 deductible
- \$40 copay for preventive care and office visits (not subject to deductible)
- \$40 copay for urgent care visits (not subject to deductible)



HOW THIS PLAN WORKS FOR HER

With Chelsea's plan, her annual gynecological appointment, urgent care visits (for muscle strains), and office visits are exempt from the deductible. That means she can pay a copayment for the benefits she uses most from the first day of coverage.

Chelsea also really likes Kaiser Permanente's proactive healthy living features, such as the yoga classes offered at her local medical office² and the health improvement programs on **kp.org**, such as HealthMedia® Nourish™, a nutritional program.³

With her new plan, Chelsea gets the coverage she needs and all the extras—without paying an arm and a leg.

Want to know more?

Deductible plan benefits: See pages 6 and 7.

Deductible plan rates: See the Rates & Benefits brochure.



¹These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of the health care plan and other factors.

²Classes vary by location. Some classes may require a fee.

³Offered in collaboration with HealthMedia, Inc.

FEATURES AT A GLANCE

This chart only describes a summary of benefits. For a complete understanding of benefits, please read this summary in conjunction with the Kaiser Permanente Insurance Company *Certificate of Insurance*, which contains a complete explanation of benefits, exclusions, and limitations. The information provided in this benefit summary is not intended for use as a summary plan description, nor is it intended to serve as the *Certificate of Insurance*.

	DEDUCTIBLE 40/3000 NM ^{1,2,3}	DEDUCTIBLE 50/5000 NM ^{1,2,3,4}
MEDICAL CALENDAR-YEAR DEDUCTIBLE		
Individual plan (subscriber only)	\$3,000	\$5,000
Family plan (any one member/all members)	No dependent coverage	
ANNUAL OUT-OF-POCKET MAXIMUM		
Individual plan (subscriber only)	\$6,000	\$7,500
Family plan (any one member/all members)	No dependent coverage	
LIFETIME BENEFIT MAXIMUM		
Individual	\$5 million	
BENEFITS	YOU PAY	
Professional services (plan provider office visits)		
Primary and specialty care visits (includes routine and urgent care appointments)	\$40 per visit	\$50 per visit (after deductible)
Routine preventive physical exams (includes vision and hearing exams)	\$40 per visit	\$50 per visit
Well-child visits from 0 to 23 months	\$30 per visit	
Family planning visits	\$40 per visit	\$50 per visit
Scheduled prenatal care	Not covered	Not covered
Maternity coverage		
Maternity care	Not covered	
Hospitalization services		
Room and board, surgery, anesthesia, X-rays, lab tests, and medications	20% coinsurance (after deductible)	30% coinsurance (after deductible)
Emergency health coverage		
Emergency Department visits (charge waived if admitted directly to hospital)	\$150 per visit (after deductible)	
Ambulance services		
Emergency ambulance services	\$150 per trip (after deductible)	

Note: Unless otherwise specified, services are not subject to the deductible.

¹These plans are offered by Kaiser Permanente Insurance Company, a subsidiary of Kaiser Foundation Health Plan, Inc.

²KPIC deductible plans offer a copay for preventive care and certain other services from the first day of coverage. You will have to pay all other health care expenses out of pocket until you meet your deductible.

³This plan does not offer maternity coverage.

⁴This plan does not offer prescription coverage.

NEW DEDUCTIBLE PLANS

	DEDUCTIBLE 40/3000 NM	DEDUCTIBLE 50/5000 NM
BENEFITS	YOU PAY	
Prescriptions		
Plan pharmacy (up to a 30-day supply)	Generic: \$10; brand-name: \$35	Not covered
Mail-order (up to a 100-day supply)	Generic: \$20; brand-name: \$70	Not covered
Outpatient services		
Outpatient surgery	20% coinsurance (after deductible)	30% coinsurance (after deductible)
Allergy injection visits	\$5 per visit (after deductible)	
Vaccines (immunizations)	No charge	
Most X-rays and lab tests	\$10 per encounter (after deductible)	
MRI, CT, and PET	\$50 per procedure (after deductible)	
Note: Deductible does not apply to preventive screenings as described in the <i>Certificate of Insurance</i> .		
Mental health services		
Inpatient psychiatric care (up to 30 days)	20% coinsurance (after deductible)	30% coinsurance (after deductible)
Outpatient individual psychiatric visits	\$40 per visit	\$50 per visit (after deductible)
Outpatient group psychiatric visits	\$20 per visit	\$25 per visit (after deductible)
Outpatient individual/group visits per calendar year	Up to a total of 20 visits	
Note: Visit and day limits do not apply to severe mental illness and serious emotional disturbances of children as described in the <i>Certificate of Insurance</i> .		
Chemical dependency services		
Inpatient detoxification	20% coinsurance (after deductible)	30% coinsurance (after deductible)
Outpatient individual therapy visits	\$40 per visit	\$50 per visit (after deductible)
Outpatient group therapy visits	\$5 per visit	\$5 per visit (after deductible)
Transitional residency recovery services (up to 60 days, not to exceed 120 days in any five-year period)	\$100 per admission (after deductible)	
Home health services		
Home health care (up to 100 two-hour visits)	No charge	
Health education		
Individual visits	\$40 per visit	\$50 per visit
Group visits	No charge	
Other		
Skilled nursing facility care (up to 100 days per benefit period)	20% coinsurance (after deductible)	30% coinsurance (after deductible)
Hospice care	No charge	

NEW HSA-QUALIFIED DEDUCTIBLE PLANS

Would you like lower premiums and more control over your health care dollars?

If so, consider our selection of deductible plans designed to work with a tax-advantaged health savings account, or HSA.¹ Our new HSA-qualified plans offer our lowest premiums in exchange for a higher annual deductible amount.

For active-lifestyle individuals

- **Deductible 40/4000 NM with HSA:** The Deductible 40/4000 NM with HSA plan has a \$4,000 deductible, one of our lowest premiums, and a \$40 copay for office visits after deductible. Pair this plan with an HSA for tax savings. No maternity coverage.
- **Deductible 0/5000 WM with HSA:** This plan features a \$5,000 deductible, low premiums, and no cost for covered services (after deductible). Open an HSA to enjoy tax advantages with this plan. Maternity coverage is available.

Here's how these plans work with an HSA:

- Enroll in a qualified health care plan.
- If you qualify, open a health savings account.²
- Contribute tax-free dollars to this account.
- Use those tax-free funds to pay for qualified health care expenses.

What you don't use rolls over to the next year and continues earning interest.³

You will need to set up your HSA through any financial institution that offers these accounts. Kaiser Permanente has selected **Wells Fargo Bank** as our preferred health savings account trustee and administrator.⁴ For more information, visit the **Wells Fargo** Web site, www.wfhbs.com/kaiserpermanente.

Advantages of opening an HSA

Health savings accounts offer many other advantages besides tax benefits.

- **Portability.** The money belongs to you, so if you change plans, you can take your HSA with you.
- **Unused funds roll over.** There is no "use it or lose it" restriction each year. What you don't use stays in your account until you are ready to use it.
- **Control.** You're in charge. You decide how to invest your money. You decide when to put the money in and when to take it out.
- **Retirement savings.** The money in your account can be invested through the institution where you open it. And after age 65, you can use the funds, taxed at your ordinary income rate, for any reason without penalties.
- **Flexibility.** You can use the money in your HSA to pay for qualified medical expenses, even those your deductible plan does not cover.

¹Tax references relate to federal income tax only. The tax treatment of health savings account contributions and distributions under state income tax laws differs from the federal tax treatment. Consult with your financial or tax adviser for more information.

²To qualify to open an HSA, you must be enrolled in an HSA-qualified health plan, not be covered by another health plan or enrolled in Medicare, and not be able to be claimed as a dependent on someone else's tax return.

³Earnings vary depending on the type of investment plan you opt for and/or the HSA provider you choose. Amount earned is based on the investment plan and market value, and in some instances, the account may actually lose money.

⁴Neither Kaiser Permanente nor Kaiser Permanente Insurance Company provides or administers financial products, including HSAs, and does not offer financial, tax, or investment advice. Members are responsible for their own investment decisions. If a member uses his or her HSA debit card to pay for something other than a qualified medical expense, the expenditure is subject to tax and, for individuals who are not disabled or over 65, a 10 percent tax penalty.

Please note that when Wells Fargo Health Benefit Services pays disbursements, it does not monitor whether they are for qualified medical expenses. It is the member's responsibility to determine whether expenses qualify for tax-free reimbursement from his or her HSA. For information about a Wells Fargo HSA please contact Wells Fargo at 1-866-890-8308.

MEET DOUG BARKLEY¹

Doug, 60, is newly single and newly retired. And he wants a new health plan. Just because Doug is retired doesn't mean he's slowing down. He's fit and active with a serious tennis habit (coupled with a skiing habit in the winter). Doug wants a plan that won't cut into his budget but also won't leave him exposed to huge medical bills if he becomes seriously ill. And he'd also like to save a little money—tax free.²

What Doug wants:

- ✓ Low premiums
- ✓ Tax advantages
- ✓ Coverage for the big things

Doug's plan: **Deductible 0/5000 WM with HSA**

- \$5,000 deductible
- \$0 copay for preventive care (not subject to deductible)
- \$0 copay for office visits (after deductible)
- Option to open health savings account



HOW THIS PLAN WORKS FOR HIM

Doug enrolls in the **Deductible 0/5000 WM with HSA** plan, opens a health savings account, and deposits the maximum amount of \$3,000.³ Doug is healthy and doesn't use his regular benefits much except for preventive care and checkups. But he does have medical expenses—such as the LASIK surgery he's always wanted—that traditional health care plans don't cover.

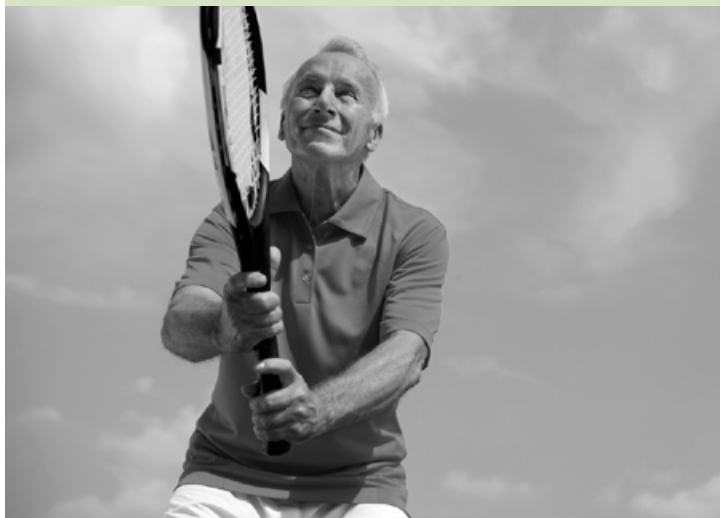
With an HSA-qualified plan, he can use money from his HSA to pay for qualified medical expenses such as LASIK, chiropractic, massage therapy, and orthodontics.

Doug likes being in charge of his finances. And with My Health Manager, most of his health information is just a click away on his PDA, so he can also take charge of his health. From the tennis court, he can check most of his lab test results, e-mail his doctor's office, and order prescription refills. Life's too short to stand in lines or be put on hold.

Want to know more?

HSA-qualified deductible plan benefits: See pages 10 and 11.

HSA-qualified deductible plan rates: See the Rates & Benefits brochure.



¹These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of the health care plan, individual contributions, and other factors.

²Tax savings refer to federal income tax only.

³For 2009, the federally established annual maximum contribution for an eligible individual with self-only coverage is \$3,000. This maximum is indexed annually for inflation. For more information, please consult with your financial or tax adviser.

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	DEDUCTIBLE 40/4000 NM WITH HSA ^{1,2,3}	DEDUCTIBLE 0/5000 WM WITH HSA ^{1,2}
MEDICAL CALENDAR-YEAR DEDUCTIBLE		
Individual plan (subscriber only)	\$4,000	\$5,000
Family plan (any one member/all members)	No dependent coverage	
ANNUAL OUT-OF-POCKET MAXIMUM		
Individual plan (subscriber only)	\$5,600	\$5,000
Family plan (any one member/all members)	No dependent coverage	
LIFETIME BENEFIT MAXIMUM		
Individual	\$5 million	
BENEFITS		
YOU PAY		
Professional services (plan provider office visits)		
Primary and specialty care visits (includes routine and urgent care appointments)	\$40 per visit (after deductible)	No charge (after deductible)
Routine preventive physical exams	\$40 per visit	No charge
Well-child visits from 0 to 23 months	\$30 per visit	No charge
Family planning visits	\$40 per visit (after deductible)	No charge (after deductible)
Scheduled prenatal care	Not covered	No charge (after deductible)
Maternity coverage		
Maternity care	Not covered	Covered (after deductible)
Coverage varies by plan and some services may be subject to a deductible. See the plan's <i>Certificate of Insurance</i> for details.		
Hospitalization services		
Room and board, surgery, anesthesia, X-rays, lab tests, and medications	30% coinsurance (after deductible)	No charge (after deductible)
Emergency health coverage		
Emergency Department visits (charge waived if admitted directly to hospital)	\$150 per visit (after deductible)	No charge (after deductible)
Ambulance services		
Emergency ambulance services	\$150 per trip (after deductible)	No charge (after deductible)

Note: Unless otherwise specified, services are not subject to the deductible.

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²KPIC deductible plans offer a copay for preventive care and certain other services from the first day of coverage. You will have to pay all other health care expenses out of pocket until you meet your deductible.

³This plan does not offer maternity coverage.

NEW HSA-QUALIFIED DEDUCTIBLE PLANS

	DEDUCTIBLE 40/4000 NM WITH HSA	DEDUCTIBLE 0/5000 WM WITH HSA
BENEFITS	YOU PAY	
Prescriptions		
Plan pharmacy (up to a 30-day supply)	Generic: \$10; brand-name: \$35 (after deductible)	No charge (after deductible)
Mail-order (up to a 100-day supply)	Generic: \$20; brand-name: \$70 (after deductible)	No charge (after deductible)
Outpatient services		
Outpatient surgery	30% coinsurance (after deductible)	No charge (after deductible)
Allergy injection visits	\$5 per visit (after deductible)	No charge (after deductible)
Vaccines (immunizations)	No charge	
Most X-rays and lab tests	\$10 per encounter (after deductible)	No charge (after deductible)
MRI, CT, and PET	\$50 per procedure (after deductible)	No charge (after deductible)
Note: Deductible does not apply to preventive screenings as described in the <i>Certificate of Insurance</i> .		
Mental health services		
Inpatient psychiatric care (up to 30 days)	30% coinsurance (after deductible)	No charge (after deductible)
Outpatient individual psychiatric visits	\$40 per visit (after deductible)	No charge (after deductible)
Outpatient group psychiatric visits	\$20 per visit	No charge (after deductible)
Outpatient individual/group visits per calendar year	Up to a total of 20 visits	
Note: Visit and day limits do not apply to severe mental illness and serious emotional disturbances of children as described in the <i>Certificate of Insurance</i> .		
Chemical dependency services		
Inpatient detoxification	30% coinsurance (after deductible)	No charge (after deductible)
Outpatient individual therapy visits	\$40 per visit (after deductible)	No charge (after deductible)
Outpatient group therapy visits	\$5 per visit (after deductible)	No charge (after deductible)
Transitional residency recovery services (up to 60 days, not to exceed 120 days in any five-year period)	\$100 per admission (after deductible)	No charge (after deductible)
Home health services		
Home health care (up to 100 two-hour visits)	No charge (after deductible)	
Health education		
Individual visits	\$40 per visit	No charge (after deductible)
Group visits	No charge (after deductible)	
Other		
Skilled nursing facility care (up to 100 days per benefit period)	30% coinsurance (after deductible)	No charge (after deductible)
Hospice care	No charge (after deductible)	

kp.org