



Your Guide to the HDHP and Tax-Savings Accounts

Anthem Act Wise HDHP

The Anthem Act Wise HDHP is a medical plan that offers comprehensive coverage for everything from doctor visits, X-rays and lab tests, to hospitalization and prescription drugs. It includes a unique tax-advantaged account, called the Health Savings Account (HSA).

Why choose the Anthem Act Wise HDHP?

Tax-free money from your Health Savings Account (HSA) can be used to pay for health care expenses now or saved up for the future

Free preventive care

Flexibility to use in- and out-of-network doctors

A cap on expenses—once you pay the set maximum amount out of your pocket, you **won't pay anything else for in-network** services—all year



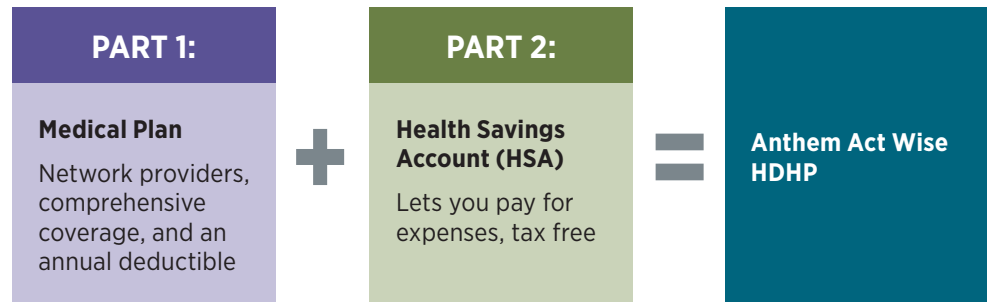
How the Anthem Act Wise HDHP Works

Make the Most of Your Coverage

This guide is filled with tips to help you take advantage of the Anthem Act Wise HDHP's money-saving opportunities and other health care resources. Use these tips to find out how you can use this plan to best meet your health care needs.

The Anthem Act Wise HDHP is a unique medical plan that works differently from the other plans offered by The Claremont Colleges. The Anthem Act Wise HDHP helps you take charge of your health and wellness by empowering you as a health care consumer.

The Anthem Act Wise HDHP is made up of two components:

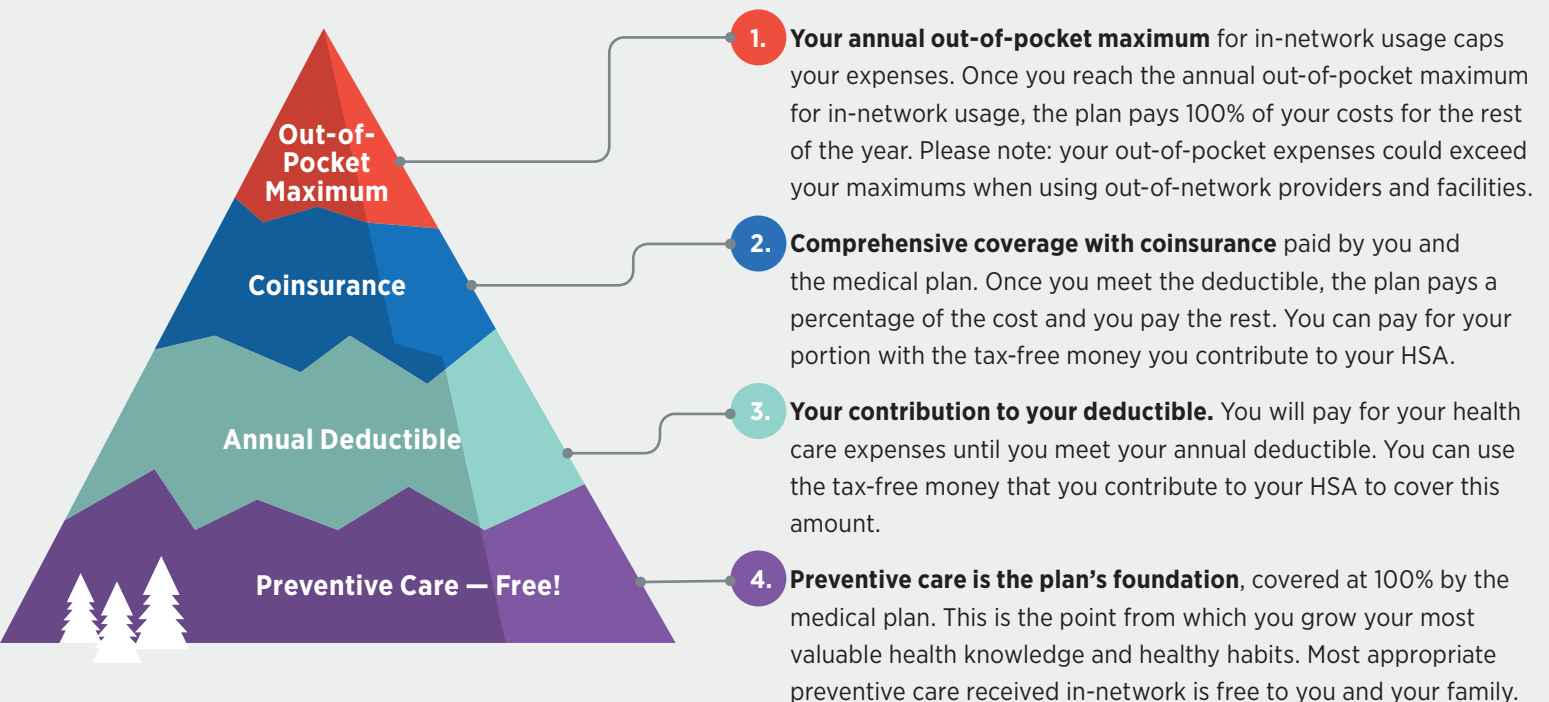


Together, these components give you comprehensive medical coverage and complete control over what health services you buy and how you spend your money on health care.

This guide will help you better understand each part of the Anthem Act Wise HDHP, how the parts work together, and the many special features of this plan.

How the Anthem Act Wise HDHP Works

How does an HDHP work? Let us tell you.






Preventive Care

All in-network preventive care is 100% covered, all year long ... for you and your eligible dependents. You don't have to pay to get your checkups and screenings at an in-network doctor or facility—just make your appointment, visit your in-network doctor, and the plan pays 100% of the cost.

What Is Preventive Care?

Preventive care services are based on guidelines for your age and sex. Ask your doctors about the right preventive care for you. The table below lists common preventive services covered by the Anthem Act Wise HDHP.

 Children	 Females	 Males
<ul style="list-style-type: none"> • Well-baby care • Annual physicals • Some drugs • Immunizations • Medical/family history and physical exam • Blood pressure checks • Cholesterol checks 	<ul style="list-style-type: none"> • Pap tests • Mammograms • Osteoporosis test • Annual physicals • Preventive drugs • Immunizations • Medical/family history and physical exam • Blood pressure checks • Cholesterol checks • Diabetes mellitus: baseline for high-risk individuals • Colonoscopy 	<ul style="list-style-type: none"> • Colonoscopy • Prostate cancer screening • Annual physicals • Preventive drugs • Immunizations • Medical/family history and physical exam • Blood pressure checks • Cholesterol checks • Diabetes mellitus: baseline for high-risk individuals • Osteoporosis test

Preventive Drugs
Preventive drugs, such as blood pressure medication, tobacco cessation products, and birth control, are considered preventive care and are 100% covered under the plan.

Be sure to confirm with your provider that your visit will be billed as preventive services. If there are services that are not billed under preventive services by your provider, you may be responsible for the costs associated with those services.

For a full list of preventive services and preventive drugs that are 100% covered, visit the plan website—www.anthem.com/ca (select Individual & Family on the upper left; under the Care column, select Preventive Health and view the Preventive Care Plans & Guidelines).

Paying for Care

Annual Deductible

The annual deductible is the amount you must pay during the plan year BEFORE the plan helps pay for costs. This includes costs for non-preventive medical and prescription drug expenses.

The annual deductible you must meet depends on your level of coverage:

	Annual Deductible	
	In-Network	Out-of-Network
Employee Only	\$1,500	\$2,500
Employee + Spouse/Child(ren)/Family	\$3,000	\$5,000
Individual Limit	\$2,800	\$2,800

Don't Forget!

You can help pay your annual deductible and your portion of coinsurance using money in your HSA.

The most an individual with family coverage (employee + 1 or more dependents) will have to pay toward the deductible is \$2,800, after which the plan will pay benefits for that individual. The remaining deductible amount can be reached through plan use by a single family member or by any combination of family members. After the full family deductible is met, the plan will pay benefits for all covered family members.

It doesn't matter which in-network provider you use—any money you pay medical providers or for services will count toward your deductible amount.

The Deductible—A Real Life Example

If you go to the doctor for a sore throat **before** you meet the deductible, you pay the full cost of the office visit, the strep test your doctor performs, and the antibiotics your doctor prescribes. If you see an out-of-network doctor, your out-of-pocket expenses may be greater.

Find In-Network Providers

Be sure to visit the Anthem Act Wise website (www.anthem.com/ca) to ensure your doctor is in the network before receiving services.

Make Your Dollars Go Further: Use In-Network Providers

You will pay less when you use in-network providers because they have agreed to a negotiated rate. If you use an out-of-network provider, you are responsible for paying your deductible, a greater coinsurance, AND the difference between what the provider charges and what the plan pays.

Coinsurance

Once you pay the annual deductible, the plan begins to pay a percentage of the cost of service and you pay the rest. This is called “coinsurance.”

Coinsurance	
In-Network Providers	20%
Out-of-Network Providers	40%

You will pay less when you use in-network providers because they have agreed to a negotiated rate. If you use an out-of-network provider, you will not only pay more in coinsurance, but you are also responsible for paying the difference between what the provider charges and what the plan pays (called reasonable and customary limits).

Note: This difference in excess of the reasonable and customary limit does not apply to the deductible or out-of-pocket maximum.

Out-of-Pocket Maximum

The plan limits the amount you pay out of your pocket each year. This amount is called the “out-of-pocket maximum.” Once you reach this maximum, the plan pays 100% of the cost of services for the remainder of the year (up to reasonable and customary limits). Keep in mind, the out-of-pocket maximums are separate for in- and out-of-network providers.

	In-Network	Out-of-Network
Employee Only	\$3,000	\$6,000
Employee + Spouse/Child(ren)/Family	\$6,000	\$12,000
Individual limit	\$3,000	\$6,000

The most an individual with family coverage (employee + 1 or more dependents) will have to pay is \$3,000 for in-network expenses and \$6,000 for out-of-network expenses, after which the plan will pay 100% of covered expenses for that individual only. The remaining family out-of-pocket maximum can be met by adding the expenses of all family members, after which the plan will pay 100% of covered expenses for all covered family members for the rest of the year.

Any amount you pay toward the annual deductible and coinsurance counts toward the out-of-pocket maximum. However, you will be responsible for paying any amount charged in addition to what the plan deems reasonable and customary (R&C) and this amount does not apply to your out-of-pocket maximum.

Be a Smart Shopper

To use the Anthem Act Wise HDHP wisely, you must be a smart consumer when you shop for health care services:

- Find the best medical services at the best rates in your area, and try to use in-network providers whenever possible. Anthem has tools to help on its website, www.anthem.com/ca, under Member Needs (on the home page, select Individual & Family, then Member Needs under the Support column). You will need to log in to use the tool.
- Be your own advocate. Research care and treatment, including what has provided the best results. Talk with your doctor about what you find. Ask if there may be a more effective and less costly option.

Your Health Savings Account (HSA)

Don't Forget About the CDHP Member Portal!

The CDHP Member Portal can help you stay on top of your HSA in one convenient place. Use the CDHP Member portal to:

- Set up direct deposit to ensure you receive your funds quickly
- Request reimbursements for qualified medical expenses
- Check your claims activity, including status
- Order a debit card for your dependent(s)
- access claims, disclosures, account, and IRS resources, and more!

Visit anthem.com/ca to register.

Open an HSA through Your Bank

You can also open an HSA through any bank you choose. If you choose to open an account through a bank other than PNC Bank, be sure to check with your bank about a monthly maintenance fee. You will also need to set up an ACH Direct Deposit for the post-tax contributions to any bank that is not PNC Bank, as the banking arrangement Anthem has is only with PNC Bank. Keep in mind, you must use the HSA with PNC Bank to receive the automatic employer contribution from The Claremont Colleges.

The most distinctive feature of the Anthem Act Wise HDHP is the Health Savings Account (HSA). Unlike the other plans offered by The Claremont Colleges, when you enroll in the Anthem Act Wise HDHP, an HSA will automatically be opened for you. You own the HSA and can use the money in the account to pay for current and future medical, dental, and vision care expenses.

How It Works

Money Goes In

You and The Claremont Colleges contribute to an HSA on a federal tax-free basis.



Money Comes Out

Use the funds to pay for current or future health care expenses (like your deductible and coinsurance) on a federal tax-free basis.

Money Grows

Once your HSA balance reaches \$1,001, you can invest your money in mutual funds.

Money Goes In

Enroll in the Anthem Act Wise HDHP and an interest-bearing HSA, managed by PNC Bank, will automatically be opened for you. You will only receive the employer contribution to your HSA if the account is with PNC Bank. When you enroll in an HSA, you will receive a welcome kit from PNC Bank with more information about using your HSA. You can also access PNC Bank's online HSA resource, at www.anthem.com/ca. Log on today for complete information about PNC Bank and a variety of HSA tools.

For information about the monthly maintenance fees and rate schedule for PNC Bank's HSAs, go to www.anthem.com/ca.

Please note: To open an account with PNC Bank, you must have a physical mailing address (not a P.O. Box).

Money Grows

Your Contributions

Once your HSA is open, you can make contributions in two ways:

1. Pre-tax contributions automatically deducted from your paycheck.
2. Post-tax contributions deposited by you or your spouse directly to your account.

You can make changes to start, stop, or change your pre-tax HSA contribution amounts at any time. You do not need a qualified life event to make changes. (Changes to pre-tax contributions will be effective on your next paycheck.)

The Claremont Colleges Contributions

The Claremont Colleges will also make a contribution to your HSA (PNC Bank HSAs only) as a lump sum in January of each plan year to help you get started. Note: If you are a California Botanic Garden employee, The Claremont Colleges will contribute to your HSA throughout the year, or according to your pay cycle. Here is how your and The Claremont Colleges' contributions can add up in 2021:

Tier Level	2021 HSA Contribution Limit	Employer Contributes*	So You Can Contribute Up To:
Employee Only*	\$3,600	\$450	\$3,150
Employee + Spouse**/Child(ren)/Family	\$7,200	\$900	\$6,300

* Non-highly compensated employees only who are not enrolled in Medicare.

** Domestic partners do not qualify for employer contributions.

Please note: If you join The Claremont Colleges after the beginning of the year, the employer contribution will be prorated.

Each year, the maximum amount you can contribute to your HSA may change, per IRS regulations. *It's your responsibility to ensure contributions don't exceed the annual limit. Tax penalties may apply on excess contributions.* Consult your personal tax advisor for more details.

Once your HSA reaches a certain minimum, you can choose to invest in select mutual funds. Your HSA banking partner will provide you with a list of funds available and help you set up your HSA investments.

Enrolled in Medicare?

If you are enrolled in Medicare Part A and/or Part B, you are not eligible to contribute to an HSA.

Age 55 or Over?

You can contribute an additional \$1,000 above the amount listed in the chart to the left as a catch-up contribution.

Important! Qualified Health Care Expenses

You can use your HSA for expenses that would generally qualify for the medical, dental, and vision expenses income tax deduction:

- Deductibles
- Office visits
- Prescription drugs
- Hospital stays and lab work
- Speech/occupational/physical therapies
- Dental work
- Vision exams
- Menstrual care products
- Over-the-counter medications

If you use your HSA funds for non-qualified expenses, you will be charged a penalty tax of 20% in addition to paying income taxes on the amount. Be sure to keep your receipts for tax purposes.

If you have questions about HSA regulations, including eligible dependents, covered expenses, or contribution limits, go to www.anthem.com/ca and log in as a member.

Money Comes Out

Spending Your HSA Funds

When you enroll in the Anthem Act Wise HDHP, you will receive a debit card linked to your HSA that you can use to pay for any eligible expenses. Alternately, you can pay your bill or request reimbursement from your HSA online. The money will be taken directly from your HSA. Keep in mind, you will need sufficient funds in your account to pay for expenses.

Your HSA funds can be used for care for any of your qualified dependents as defined by the IRS.

Qualified IRS tax dependents include:

- Spouse
- Children who are considered your IRS tax dependents and are full-time students (age 19 through age 24), including stepchildren, foster children, children placed for adoption, legally adopted children, and children of domestic partners.*
- Incapacitated children age 26 and over who are permanently and totally disabled.

** While the Patient Protection and Affordable Care Act allows parents to add their adult children (up to age 26) to their health plans, the IRS has not changed its definition of an eligible dependent (i.e., under age of 19 or under age of 24 if full-time student) as it pertains to Health Savings Accounts. For example, an employee who covers a 25-year-old child under the Anthem Act Wise HSA health plan is **not eligible to use HSA funds to pay the dependent child's medical expenses**.*

Please consult your tax advisor to see if your dependent meets the definition of an eligible dependent.

Saving Your HSA Funds

You may want to consider saving your HSA funds for future use. Consider the following:

- Unused money in your HSA will roll over into the next year.
- Your account may earn interest and grow over time—any interest and other investment earnings are yours to keep!
- You never lose the money in your HSA—you can take the account with you if you leave The Claremont Colleges.

Remember, you always own the money in your HSA, including any contributions from your employer.

IMPORTANT! Not Everyone Can Contribute to an HSA

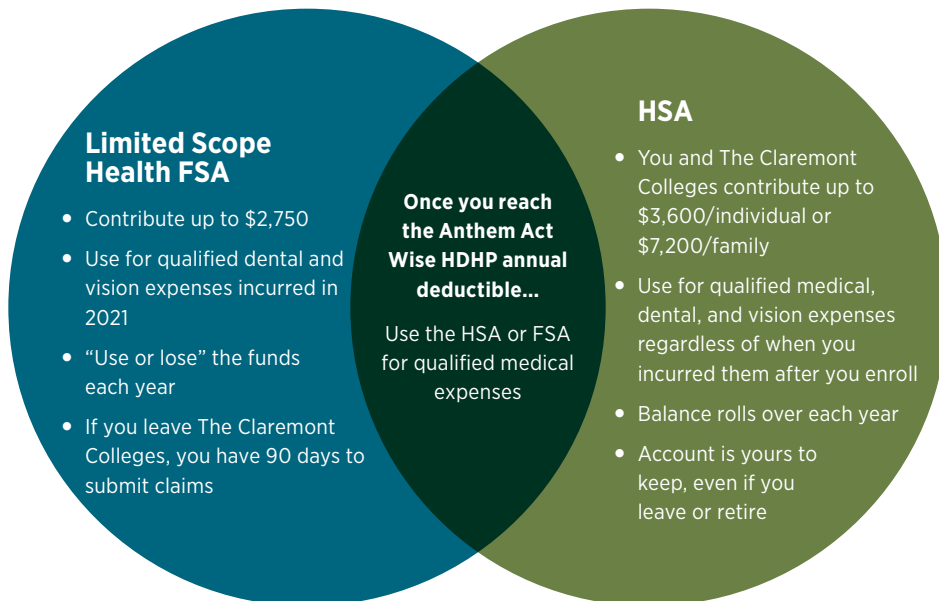
The HSA has many benefits. But, there are some important rules to remember:

Domestic Partners The IRS doesn't consider a domestic partner to be a spouse under federal tax law, regardless of state law exceptions. Therefore, you can't withdraw funds tax-free to pay for your domestic partner's qualified expenses, unless your domestic partner is a "qualified tax dependent" as defined by the IRS.	Flexible Spending Account Participation If you enroll in the Anthem Act Wise HDHP, you cannot enroll in the Health Care Flexible Spending Account (FSA). However, you can contribute up to \$2,750 to a special FSA called a Limited Scope Health Care FSA. See below for details.	Not Everyone Can Open an HSA All employees are eligible to enroll in the Anthem Act Wise HDHP. However, you aren't eligible to open an HSA if you are: <ul style="list-style-type: none">• Enrolled in Medicare Part A or Part B• Enrolled in another medical plan, unless it's a qualified high deductible health plan• Eligible to be claimed as a dependent on another individual's tax return• Married with your spouse enrolled in a health FSA through his/her employer• Not a U.S. resident• A veteran who has received veterans' benefits within the last three months• Active military.
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Limited Scope Health Care FSA

Flexible Spending Accounts (FSAs) allow you to deduct pre-tax dollars from your paycheck to pay for eligible out-of-pocket health care expenses. Due to IRS regulations, if you are enrolled in an HSA, you are not eligible for a standard Health Care FSA. Instead, you can contribute up to \$2,750 to a special FSA called a Limited Scope Health Care FSA.

The Limited Scope Health Care FSA offers reimbursements for eligible non-medical expenses, such as dental and vision plan deductibles, copays, and coinsurance. However, once you meet your medical plan's annual deductible, you can also use your Limited Scope Health Care FSA funds to cover eligible medical expenses and prescription drug costs, as shown below:



Features of a Limited Scope Health FSA

- You may elect to contribute from a minimum of \$300 up to a maximum of \$2,750 in 2021.
- Expenses must be incurred between January 1, 2021, and March 15, 2022.
- You have until June 30, 2022, to submit your request for reimbursement.
- Funds do not roll over from year to year. You must use them by the deadline, or you will forfeit them.
- **In addition, if you end your employment with The Claremont Colleges, you will have 90 days to request reimbursement for any eligible expenses incurred while actively employed.**

The Limited Scope Health Care FSA and an HSA: How They Work Together

Eligible Health Care Expenses:

See a full list of eligible expenses in IRS Publication 502 at www.irs.gov.

Maximizing Your Tax Savings

Consider paying your out-of-pocket dental and vision expenses from the Limited Scope Health Care FSA first, since unused FSA funds will be forfeited at the end of the year. If you don't use all of your HSA balance each year—no problem! It rolls over into the following year, helping you to build up savings for future expenses.

You can maximize your tax savings by using a Limited Scope Health Care FSA along with your HSA. The table below shows when you should use your HSA or Limited Scope Health Care FSA:

Type of Expense	Limited Scope Health Care FSA	HSA
Eligible medical services	✗ (only available to use AFTER you have reached your medical plan's deductible)	✓
Prescription drugs	✗ (only available to use AFTER you have reached your medical plan's deductible)	✓
Eligible dental services	✓	✓
Eligible vision services	✓	✓

Enrolling Midyear?

If you are currently enrolled in a Health Care FSA but enroll in the Anthem Act Wise HDHP with an HSA during the plan year due to a qualified life event, you (and The Claremont Colleges) will not be permitted to contribute to an HSA until after January 1. Additionally, if you continue to have funds in your FSA after December 31 of that year, you must wait until April 1 of the following year to contribute to your HSA.

What Happens When You Visit the Doctor?

When you enroll in the Anthem Act Wise HDHP, you'll receive a debit card to pay for qualified health care expenses. When you visit your doctor, present your medical ID card. **You should not have to pay anything at the time of your visit.** Instead, your doctor will submit a claim to Anthem. Once Anthem determines the amount you are responsible for paying, the doctor will send you a bill. Then, you can use your HSA debit card, pay online, or pay out-of-pocket and request reimbursement.

Paying for Expenses and Filing Claims

Once you've decided which account is the right one to use for your eligible expenses, it's important to know how to pay.

Limited Scope Health Care FSA	Health Savings Account (HSA)
<p>Before you meet your medical plan's deductible for eligible expenses</p> <p>There are two ways to pay for your dental and vision expenses, using your FSA:</p> <ol style="list-style-type: none"> 1. Use your PayFlex Card® to pay at the point of service. 2. Pay for eligible expenses with cash, check, or your personal credit card. Then submit an online claim to PayFlex for reimbursement at www.payflex.com or a paper claim at the address listed below. <p>Note: When you submit a claim, your claim will only be approved if it contains an itemized receipt that includes the following information:</p> <ul style="list-style-type: none"> • Provider name and address • Patient name • Description or type of service • Date of service (not date of payment) • Dollar amount charged for the expense. 	<p>There are three ways to pay for your expenses, using the HSA:</p> <ol style="list-style-type: none"> 1. Use your PNC Bank debit card to pay at the point of service. Keep in mind, you will need sufficient funds in your account to pay for expenses. 2. Pay your bill or request reimbursement online through www.anthem.com/ca. 3. Pay for the service out of pocket and then submit your receipts and claims to PNC Bank for reimbursement at www.anthem.com/ca.
<p>After you meet your medical plan's deductible for eligible expenses</p> <p>Once you reach your medical plan's annual deductible, you can also use funds in the Limited Scope Health Care FSA for medical expenses.</p> <p>Although you can continue to use your debit card to pay for dental and vision expenses, you must pay for eligible medical and prescription expenses out of your pocket, then file a claim to be reimbursed. You can't use the debit card to pay for medical or prescription expenses. At that time, you will be required to prove to PayFlex that you have met your annual deductible and these expenses are now eligible for reimbursement by providing an Explanation of Benefits (EOB) that demonstrates the deductible was met. You can find your EOB at www.anthem.com/ca.</p> <p>Submit an online claim form at: www.payflex.com</p> <p>Submit a paper claim form to: PayFlex Systems USA, Inc. P.O. Box 981158 El Paso, TX 79998-1158 Fax: 855-703-5305</p>	

Calculate Your HSA Dollars with PNC Bank

Use PNC Bank's HSA calculator tools on their website. You can calculate your contribution amounts and your tax savings, and you can even plan ahead for the future by using their "HSA Savings Goal Calculator" if you want to save for future expenses. Go to www.anthem.com/ca to access these tools.



Questions?

- Contact TCCS Benefits Administration at 909-621-8151 or BENREPS@claremont.edu

Contact Anthem Act Wise:

- Call: 844-860-3535
- Visit: www.anthem.com/ca

Quick Reference Comparison Chart

The table below provides a quick look at these accounts and how they compare.

	Limited Scope Health Care FSA	Health Savings Account (HSA)
Eligibility/When You Can Enroll	You can enroll in a Limited Scope Health Care FSA during Open Enrollment .	You must be enrolled in a high deductible health plan (HDHP) , like The Claremont Colleges Anthem Act Wise HDHP. You can start or stop contributing to your HSA at any time throughout the year. Exceptions: <ul style="list-style-type: none"> • You cannot be enrolled in Medicare Part A or Part B • You cannot be covered by another health plan such as your spouse's health care FSA or a medical plan that is not also a high deductible health plan
Your Contributions	Pre-tax contributions deducted from your paycheck from \$300 to \$2,750 per year.	Pre-tax contributions deducted from your paycheck: <ul style="list-style-type: none"> • Up to \$3,600 for individual accounts • Up to \$7,200 for family accounts • \$1,000 in catch-up contributions for individuals age 55 and over. If you enroll in the HSA during Open Enrollment but currently have a Health Care FSA, your Health Care FSA balance must be zero by December 31 of this year, or you will not be permitted to contribute to your HSA until April 1 of the new plan year.
Contributions from The Claremont Colleges	None.	If your HSA is with PNC Bank, The Claremont Colleges contribute: <ul style="list-style-type: none"> • \$450 for individual coverage • \$900 for individual + dependent(s) coverage (domestic partners are not eligible). If you join The Claremont Colleges during the year, the Company contribution will be pro-rated. Highly compensated employees (earning \$125,000 or more annually) are not eligible for The Claremont Colleges contribution.
Making Changes to Your Contributions	You can stop, start, or change your contributions only during Open Enrollment each year or following a qualified life event .	You can stop, start, or change your contributions at any time during the year.
When Money Is Available	You can use your full annual election starting January 1 , even if funds aren't yet deposited.	You can only use the money that is in your account.
When to Use Your Funds	<ul style="list-style-type: none"> • Before you reach the annual deductible: For eligible dental and vision expenses only. • After you reach the annual deductible: For eligible medical, dental, vision, and prescription drug expenses. 	For eligible medical, dental, vision, and prescription drug expenses.
How to Access Money in Your Account	Use the PayFlex debit card for vision and dental expenses. After you reach your medical plan annual deductible, file claims for reimbursement for medical and prescription expenses.	Use your PNC Bank debit card to pay for eligible expenses. You can also pay your bill or request reimbursement online through www.anthem.com/ca .
Use It or Lose It	Yes—you forfeit any unused funds at the end of the grace period/plan year.	No—your account balance rolls over year to year.
Take Your Account with You If You Leave TCC	No. You will have 90 days from your last day of employment to submit claims, and they must be for services dated prior to your last day worked.	Yes.