

HEALTH INSURANCE BASICS

High Deductible Health Plan (HDHP)

An HDHP is a type of health insurance plan. It is characterized by higher annual deductibles and lower premiums than traditional health plans like PPOs.

HDHPs do not cover healthcare-related expenses until minimum deductible amounts are met. However, once met, you're often covered 100% for in-network providers. Please note that you may also be able to choose out-of-network providers but, like other plans, using in-network providers will save you money.

A qualified HDHP is often combined with a tax-advantaged program, such as a Health Savings Account or a Health Reimbursement Arrangement. In the case of an HSA, you can use the money in your account to pay for qualifying medical expenses or qualifying care to meet your plan deductible.

Both employees and employers may be able to contribute to an HSA account. To learn whether or not an HDHP is an option for you, check with a representative of your HR and/or Benefits Department.