

# Total health



Emotional



Financial



Physical



Purpose



Social

# CATERPILLAR®



## FAQ

Questions about the consumer-directed health plan options?

**WE HAVE ANSWERS**

 **UnitedHealthcare®**

This FAQ describes only the consumer-directed health plan (CDHP) options available under the plan. There are also two traditional health plan options available (PPO and EPO) that you can learn more about in your enrollment materials.

The information in this document is intended for employees. Some of the information does not apply to retirees.

## 1 Why does Caterpillar offer CDHP options?

For many years, our industry peers have offered CDHP options because these plans offer more control over health care spending and saving. By offering these plans, Caterpillar provides you with choices, so you can find the health plan that's right for you.

## 2 What are the CDHPs?

The CDHP options — called UnitedHealthcare Consumer Choice and UnitedHealthcare Consumer Max — are medical plans with lower premiums and a higher annual deductible than a traditional health plan option. Both of the CDHP options are high-deductible health plans and are therefore eligible to be paired with a health savings account (HSA). The CDHP and the HSA help you plan, save and pay for health care. Contact HealthEquity® to see if you are eligible for an HSA, or see IRS Publication 969: [irs.gov/pub/irs-pdf/p969.pdf](https://irs.gov/pub/irs-pdf/p969.pdf).



## 3 Do the CDHP options offer the same types of services as the traditional PPO option?

**Yes. These health plan options offer:**

- The same quality network of doctors and hospitals that is available under the UnitedHealthcare Choice Plus PPO option.
- The same covered services.
- Flexibility to see any health care provider you want, with lower costs when you stay in network for care.
- 100% coverage (no cost to you) for covered network **preventive care**. Please refer to your summary plan description (SPD) for additional information.
- Co-insurance that shares the cost for services between you and the plan after you meet the deductible.
- An out-of-pocket maximum to protect you from the expense of catastrophic illness or injury.

## 4 What is an HSA?

An HSA is a tax-advantaged account you can use to pay for qualified medical expenses (including prescriptions) and your deductible. You can also use it to pay for qualified dental and vision care expenses. An HSA allows you to save on taxes three ways:

- 1 The money you contribute from your paycheck is pre-tax and any after-tax deposit you make is tax deductible.\*
- 2 Your savings grow tax-free.
- 3 Any money you take out to pay for qualified medical expenses is income tax-free.

Caterpillar, you or a family member can put money into your account up to an annual limit that is set by the IRS.

## 5 Will Caterpillar contribute to my HSA?

**Yes. Caterpillar will contribute the following amounts:**

	UnitedHealthcare Consumer Choice	UnitedHealthcare Consumer Max
<b>Employee-Only Coverage</b>	\$300	\$550
<b>Employee + Spouse Coverage</b>	\$600	\$1,100
<b>Employee + Child(ren) Coverage</b>	\$600	\$1,100
<b>Family Coverage</b>	\$600	\$1,100

*Note that you must be eligible for and open an HSA through Caterpillar's designated HSA vendor to receive company contributions to your HSA.*

\*State tax treatment of HSAs varies.

## 6 When will Caterpillar’s contribution to my HSA be made available to me?

Caterpillar’s contribution will be available to you in early January, as soon as administratively possible. For all new enrollments during the plan year, Caterpillar’s contribution will be available to you the first week of the month following the month in which you complete enrollment.

## 7 How do the CDHPs work?

- 1. Your deductible** — You pay out of pocket until you reach the deductible. You can choose to pay for care from your HSA or you can choose to pay another way (i.e., cash, credit card) and let your HSA grow.
- 2. Your co-insurance** — Once your deductible is met, you will be responsible for paying co-insurance. The plan will pay 80% of each eligible expense and you will pay 20% for network services. For out-of-network services, the plan will pay 50% and you will pay 50%.
- 3. Your out-of-pocket maximum** — This maximum protects you from major expenses. It is the most you will have to pay in the plan year for covered services. The plan will then pay 100% of all remaining covered network expenses for the rest of the plan year.

<p>1</p> <p><b>Your deductible</b></p> <p>You pay 100% until your deductible is met.</p>	<p>2</p> <p><b>Your co-insurance</b></p> <p>Your plan pays 80% + You pay 20%.</p> <p><b>NETWORK CO-INSURANCE</b> You share expenses with the plan until you meet your out-of-pocket maximum.</p>	<p>3</p> <p><b>Your out-of-pocket maximum</b></p> <p>You are protected.</p> <p>When you reach your out-of-pocket maximum, the plan pays 100%.</p>
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You can pay out of pocket with your HSA dollars (as long as you have dollars available), or you can choose to pay another way (i.e., credit card) and let your HSA grow.

Many preventive care services are covered at 100% when you use a network provider.

## 8 How much will I pay for my deductible?

The amount of your deductible will depend on which CDHP option you choose and whether you have individual or family coverage. You can find the amount you will pay in the chart below.

<p>UNITEDHEALTHCARE CONSUMER CHOICE</p> <p><b>Individual Deductible</b> \$1,500</p> <p><b>Family Deductible</b> \$3,000</p>	<p>UNITEDHEALTHCARE CONSUMER MAX</p> <p><b>Individual Deductible</b> \$3,000</p> <p><b>Family Deductible</b> \$6,000</p>
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*Note: If you choose any tier of coverage other than employee only, you will need to meet the family deductible before the plan will pay co-insurance benefits for anyone in your family.*

SICK OR WELL,  
YOU'RE COVERED.



## 9 How do I know if a CDHP option is right for me?

### A CDHP option may be right for you if:

- **You want to pay a lower monthly premium.** CDHP options have lower employee contributions (premiums) and a higher deductible.
- **You grow your savings.** By saving the money you would have spent on higher monthly premiums in your HSA, you'll have a sizable balance when you need it. Remember, Caterpillar will also contribute to your HSA if you open one through Caterpillar's designated HSA vendor.
- **You are generally healthy.** With a CDHP option, you will not be paying high premiums for coverage you rarely use. Many preventive care services are covered at 100% when you use a network provider. Refer to your SPD for more information. If you have questions about specific coverage, contact UnitedHealthcare.
- **You have a chronic condition.** Consider the costs of treating your condition. You will pay less in premiums if you elect one of the CDHP options. The extra money you save can be deposited into your HSA for future medical costs.
- **You want to capture tax savings.** Contributions to your HSA are pre-tax; any after-tax deposit you make is tax deductible; your savings grow tax-free; and any money you take out to pay for qualified medical expenses is income tax-free.\*
- **You are preparing for retirement.** Your contributions to your HSA are tax-free, and there is no tax when you use your HSA for eligible medical expenses. If you are 55 or older, you can make a "catch-up" contribution of an additional \$1,000 in your HSA each year. You can even invest your HSA funds when you reach a certain amount.

\*State tax treatment of HSAs varies.

## MARK USES HIS CDHP



Mark is single and chooses the UnitedHealthcare Consumer Choice plan option. The plan option covers preventive care at 100% and has a deductible of \$1,500.

The cost of Mark's routine physical exam is covered completely by the plan option.

Mark requests a prescription that he can take with him on a trip so he won't get motion sickness. He is responsible for paying for his prescriptions and other medical care until he has paid \$1,500 — the amount of his deductible.

After Mark reaches the deductible, he is responsible for paying 20% of the cost (co-insurance) until he reaches the plan option's out-of-pocket maximum of \$3,000.

Here are his expenses:

### Annual physical exam: \$350

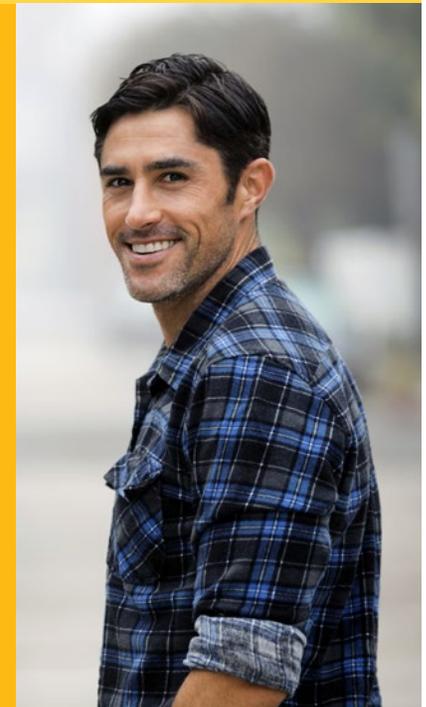
- Mark pays nothing because the plan option covers preventive care.
- The plan pays the total cost at \$350.

### Non-preventive medication: \$50

- Mark pays \$50 towards his deductible.

Mark uses pre-tax payroll deductions and Caterpillar's contribution to save \$2,500 in his HSA. His total out-of-pocket costs are \$50.

He uses his HSA to pay his out-of-pocket medical expenses, so at year end he has \$2,450 in his HSA. He can continue to save this long into the future or use it to help pay for health care expenses the following year.



## 10 What expenses can I pay with my HSA?

You can use your HSA to pay for “eligible health care expenses” — even if the expense is not covered by the UnitedHealthcare Consumer Choice or UnitedHealthcare Consumer Max plan. The list of eligible expenses is defined by the IRS and includes a range of dental, vision and health care expenses, such as:

- Acupuncture
- Alcohol and drug addiction treatment
- Doctor visits
- Dental treatment
- Eyeglasses, contact lenses and exams
- Fertility enhancements
- Hearing aids and batteries
- Nursing services
- Operations/surgery (non-cosmetic)
- Physical therapy
- Prescriptions
- Psychiatric care

For a complete list, visit IRS publication 502 located at [irs.gov/pub/irs-pdf/p502.pdf](https://irs.gov/pub/irs-pdf/p502.pdf).

## 11 Can I use the money in my HSA for non-eligible expenses?

Any money you use for purposes other than to pay for eligible health care expenses is taxable as income and subject to an additional 20% tax penalty. Examples of non-qualified expenses include:

- Cosmetic surgery
- Diaper service
- Electrolysis or hair removal
- Funeral expenses
- Health club dues
- Maternity clothes
- Nutritional supplements
- Over-the-counter medicines for which you do not have a doctor’s prescription
- Teeth whitening
- Toiletries (e.g., toothbrush)
- Weight-loss programs

## 12 What happens to the money in the HSA if I leave Caterpillar?

The money in the HSA is yours to keep, even if you leave Caterpillar. The money “rolls over” from year to year and there is no “use it or lose it” rule.

## 13 How much can I contribute to the HSA?

The IRS sets the contribution limits. For 2019, the contribution limits are:



EMPLOYEE ONLY  
\$3,500



EMPLOYEE + SPOUSE  
EMPLOYEE + CHILD(REN)  
EMPLOYEE + FAMILY  
\$7,000

If you are 55 or older, you can contribute an additional \$1,000 to your HSA as a catch-up contribution.

*Note: Your contribution combined with Caterpillar’s contribution cannot exceed the 2019 IRS limits outlined above. Also, if you and your spouse are both eligible to contribute to an HSA and either one of you has family coverage, your combined HSA contributions for the year cannot exceed \$7,000.*

## 14 What happens if I contribute more than the IRS limit to my HSA?

If your contributions exceed the allowable amount, you can fill out an Excess Contribution and Deposit Correction Request Form to have excess funds returned to you. This way, you won’t incur a penalty. This form is available on [healthequity.com/caterpillar](https://healthequity.com/caterpillar), or you can call **1-844-311-9732**.

**15 Can I have both an HSA and a Health Care Flexible Spending Account (FSA)?**

It depends. If you are covered by a General Purpose Health Care FSA, you are **ineligible** to contribute to an HSA. However, if you are covered by a Limited Purpose Health Care FSA, you **are eligible** to contribute to an HSA, provided you meet all the eligibility criteria to contribute to an HSA. A Limited Purpose Health Care FSA can be used only for eligible vision and dental expenses. Caterpillar will be offering a Limited Purpose Health Care FSA in 2019.

**16 I was planning to roll over money from my current Health Care FSA into 2019, but I want to enroll in a CDHP option. What will happen to my rollover funds?**

If you select a CDHP option, you can roll over up to \$500 from your Health Care FSA to a Limited Purpose Health Care FSA in 2019, as long as you enroll in a Limited Purpose Health Care FSA and elect to contribute at least \$75. The funds can only be used on eligible dental and vision expenses. Any funds over \$500 remaining in your Health Care FSA will be forfeited.

**17 How is preventive care covered?**

Eligible preventive care is covered at 100%. You do not pay for it. Your preventive care must be provided by network providers to be covered at 100%. It is important to check with the carrier prior to receiving services to ensure your plan and the services meet the preventive guidelines.

**18 Can I invest the money in my HSA?**

Yes, reach out to HealthEquity for more information on your investment options.

**19 What happens to the money in my HSA if I'm no longer enrolled in a CDHP option?**

If you're no longer covered by a CDHP, you can't contribute new funds to your HSA. However, you can continue to spend the money in your HSA to pay for health care expenses such as your deductible or co-insurance, or you can let it grow tax-free for future use. Caterpillar will no longer pay the HealthEquity monthly administrative fee for your HSA. HealthEquity may begin automatically deducting the monthly administrative fee directly from your account balance.

**20 If I have a large claim at the beginning of the year before I've built up my account, how do I pay for it?**

You can pay with any other form of payment and reimburse yourself from the HSA at a later date, as your funds accumulate.



## 21 What prescriptions are considered “preventive” for the CDHP options?

A full list of preventive medications is available on [benefits.cat.com](https://benefits.cat.com). Examples of medications typically considered “preventive” include high blood pressure medications, diabetes medications, etc.

## 22 What do you mean when you say you must pay the “full cost” of non-preventive prescriptions in the CDHP options?

If you enroll in a CDHP, you must pay the full cost of non-preventive prescriptions until you meet your deductible. “Full cost” refers to the negotiated rates Caterpillar has within the pharmacy network (if you use an out-of-network pharmacy, you will be subject to that pharmacy’s prices, and you won’t get the Caterpillar negotiated rate). This is different from the tiers. With the tiers, you pay only a portion of the negotiated rate of your prescription (the copay/co-insurance amount on the drug tier). The health care plan pays the rest.

## 23 How can I find out the costs of prescription drugs?

Prescription drug costs can fluctuate, so the best way to find out the cost of a prescription drug is to call Magellan Rx or use the Castlight tool.



## 24 What are the preventive services that are 100% covered by the plan?

More than 90 preventive services are 100% covered under the Caterpillar health care plan, regardless of which plan option you choose. Examples include mammograms at specific ages, recommended immunizations at specific ages, etc. The Caterpillar health care plan follows the U.S. Preventive Services Task Force Grade A and B recommendations. For more information, visit [uspreventiveservicestaskforce.org/Page/Name/uspstf-a-and-b-recommendations](https://uspreventiveservicestaskforce.org/Page/Name/uspstf-a-and-b-recommendations).

## 25 How do I find out more information on the HSA?

Visit [healthequity.com/caterpillar](https://healthequity.com/caterpillar) or contact HealthEquity at **1-844-311-9732** to receive more information.



### WHO CAN I CONTACT WITH ADDITIONAL QUESTIONS?



Call UnitedHealthcare at  
**1-866-228-4215.**  
Go to [benefits.cat.com](https://benefits.cat.com) or  
text **CAT to 313131** for additional  
contacts and websites.



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The HSA is not administered by Caterpillar, is not an employer-sponsored plan and is not an ERISA plan.

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