



3DEXPERIENCE®

Understanding Your 3DS Medical Plan Options

November 2018

Welcome

Agenda for today's meeting

- ▶ Overview of 3DS' Three Medical Plan Options
 - ▷ How Services are Covered
 - ▷ Other Cost Features
 - ▷ Employee Cost Sharing
 - ▷ Comparing FSA and HSA
- ▶ The 3 Plans in Action
 - ▷ Low, moderate and high usage
- ▶ Focus on the Health Investment Plan
 - ▶ How it works
 - ▶ The HIP in action – 3 Scenarios
- ▶ Resources to support you

Three Medical Plans

Medical coverage is one of the most important ways you can protect yourself and your family from large and unexpected medical expenses while ensuring good health. 3DS offers three medical plans through Blue Cross Blue Shield of Massachusetts:

Copay Plan, Coinsurance Plan, and Health Investment Plan

Plan Similarities	Plan Differences
<p>All three plans:</p> <ul style="list-style-type: none">• Cover the same services - at BC BS negotiated rates• Offer same national network of providers and hospitals• Are available to all eligible employees and dependents in the US, regardless of location• Cover routine in-network preventive care and in-network age-appropriate screenings at 100%• Provide access to Telehealth Services• Include Fitness and Weight Loss Reimbursement programs	<p>The plans have different:</p> <ul style="list-style-type: none">• Costs for coverage (the amount you pay from your paycheck)• Cost for care: deductibles, coinsurance and/or copays• Eligibility for tax-free savings accounts:<ul style="list-style-type: none">• Health Savings Account with HIP• Health Care Flexible Spending Account with Copay or Coinsurance Plan

How Services are Covered under each Plan

Examples of Services		Copay	Coinsurance	Health Investment
Routine Physical Exams and Associated Tests		No cost	No cost	No cost
Age appropriate diagnostic screenings (mammography, colonoscopy)		No cost	No cost	No cost
Well-child services, routine pediatric care and child immunizations		No cost	No cost	No cost
Diagnostic Primary Care Physician		\$25 co-pay	\$25 co-pay	Employees pay 100% of the cost up to the deductible After the deductible, employees pay 10% Up to the annual out of pocket (OOP) maximum
Specialist Visit		\$35 co-pay	\$35 co-pay	
Emergency room visit (co-pay waived if admitted)		\$100 co-pay	\$100 co-pay	
MRI's, CT Scans		\$30 co-pay	Employees pay 10% after deductible	
X-rays, labs and related diagnostic tests		\$0/0%	Up to annual out of pocket maximum	
Hospital Inpatient Services / Outpatient Surgery				
Prescription Drugs (Retail, 30 day supply, in-network)	Generic	\$10 co-pay	\$10 co-pay	100% of the cost up to the deductible, 10% after deductible, up to OOP max. Exception: Preventive medications covered at \$10/\$25/\$50 copays.
	Preferred Brand Name	\$25 co-pay	\$25 co-pay	
	Non-Preferred Brand Name	\$50 co-pay	\$50 co-pay	

4 Copays do not count toward deductible but do count toward out of pocket maximum.



IF WE ask the right questions we can change the world.

Medical Plan Cost Structure Comparison

Feature	Copay Plan		Coinsurance Plan		Health Investment Plan	
Employee Cost Sharing	Higher		Lower		Lower (same as Coinsurance Plan)	
Tax Advantaged Savings Accounts	Employees may contribute to FSA		Employees may contribute to FSA		Employees may contribute to HSA. Company contributes: \$750 individual coverage \$1,500 family coverage*	
Deductible (Excludes Copays)	Network	Out-of-Network	Network	Out-of-Network	Network	Out-of-Network
	None	\$250/person, up to \$750/family	\$250/person, up to \$750/family	\$500/person, up to \$1,500/family	\$1,350 employee only coverage; \$2,700 family coverage*	\$2,700 employee only coverage; \$5,400/family coverage* (cross-accumulates)
Out-of-pocket Maximum (Includes Deductible and Copays)	\$1,600/person; up to \$4,800/family	\$1,750/person, up to \$5,250/family	\$1,600/person, up to \$4,800/family	\$2,500/person, up to \$7,500/family	\$2,600 employee only coverage; \$5,200 family coverage*	\$5,200 employee only coverage \$10,400/family coverage* (cross-accumulates)

* Family coverage is coverage levels above individual coverage



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2019 Employee Cost Sharing

Coverage Tier	Employee Bi-Weekly Deduction		Annual Difference
	Copay Plan	Coinsurance Plan & Health Investment Plan	Copay Plan vs Coinsurance/Health Investment Plan
Employee Only	\$61.84	\$21.16	\$1,050
Employee + Spouse	\$152.71	\$62.06	\$2,350
Employee + Children	\$124.95	\$50.78	\$1,925
Family	\$222.13	\$90.27	\$3,425

Note: Employee contributions are deducted on a pre-tax basis.

Tax Advantaged Savings Accounts

Comparing Flexible Spending Accounts and Health Savings Accounts

Health Care Flexible Spending Account (FSA)	Health Savings Account (HSA)
<ul style="list-style-type: none"> Available with Copay or Coinsurance Plan 	<ul style="list-style-type: none"> Available only with Health Investment (High Deductible) Plan
<ul style="list-style-type: none"> Administered by WageWorks 	<ul style="list-style-type: none"> Administered by Health Equity
<ul style="list-style-type: none"> Qualified medical expenses are those that would generally qualify for the medical and dental expenses income tax deduction as outlined in <i>IRS Publication 502—Medical and Dental Expenses</i>. See www.irs.gov/publications/p502/index.html 	
<ul style="list-style-type: none"> IRS Maximum for 2018: \$2,650 Please note, this amount may adjust for 2019- TBD 	IRS Maximum for 2019: <ul style="list-style-type: none"> \$3,500 Individual / \$7,000 Family (Combined EE/ER) Additional \$1,000 age 55 and older
<ul style="list-style-type: none"> Forfeiture of unused funds at the end of each year 	<ul style="list-style-type: none"> No forfeiture of unused funds and no rollover limit Portable - If you change plans, retire or leave for any reason, you keep your account balance
<ul style="list-style-type: none"> Elect contributions once per year (unless qualifying event) 	<ul style="list-style-type: none"> Adjust contributions during the year
<ul style="list-style-type: none"> Have access up to annual election at the start of the year 	<ul style="list-style-type: none"> Have access only to balance in your HSA at that time
<ul style="list-style-type: none"> You will receive a debit card which allows you to use your funds at health care providers and vendors that accept debit cards OR: 	
<ul style="list-style-type: none"> File a claim for reimbursement 	<ul style="list-style-type: none"> Have Administrator directly pay a provider or request reimbursement for expenses you paid out of pocket through the online system

Three Medical Plans in Action

We are committed to offering a variety of plans, so you can choose the coverage that best fits your needs. Let's take a look at how the three plans work for a variety of healthcare services in a typical year. For these examples, we'll assume all care is provided in-network.

Raj



Susan



Dan



Three Medical Plans – Low Expenses



Raj

Single coverage

Background

- Relatively healthy
- Sees his primary care physician for preventive care
- Does not take any regular prescriptions
- Has one non-preventive doctor visit (\$150), lab work (\$200) and one non-preventive prescription (\$13)
- He has one visit to a specialist (\$250)
- He does not elect any contributions to a tax advantaged health saving account

Services	Copay Plan	Coinsurance Plan	Health Investment Plan
Routine exam	\$0	\$0	\$0
Diagnostic visit to his primary care physician	\$25	\$25	\$150
Lab work	\$0	\$200	\$200
Non-preventive prescription	\$10	\$10	\$13
Specialist visit	\$35	\$35	\$250
Total Out of Pocket	\$70	\$270	\$613
Annual pay check contributions	\$1,608	\$550	\$550
Total Gross Cost	\$1,678	\$820	\$1,163
3DS Contribution to HSA	N/A	N/A	(\$750)

Three Medical Plans – Moderate Expenses



Susan
Family Coverage

Background

- Relatively healthy family of 4 (employee, spouse and two young children)
- See primary care physicians for preventive care
- Have 9 non-preventive doctor visits (\$130 each) ,
- Susan and her spouse each take 1 generic preventative medication monthly (retail - \$10)
- Her spouse's non-preventive visit led to an x-ray and lab work (\$450)
- She does not elect any contributions to a tax advantaged health saving account.

Services	Copay Plan	Coinsurance Plan	Health Investment Plan
Routine exams	\$0	\$0	\$0
Preventative medication	\$240	\$240	\$240
Diagnostic visits to primary care physicians (9)	\$225	\$225	\$1,170
X-rays/lab work	\$0	\$250 deductible + \$20	\$450
Total Out of Pocket	\$465	\$735	\$1,860
Annual pay check contributions	\$5,775	\$2,347	\$2,347
Total Cost	\$6,240	\$3,082	\$4,207
3DS Contribution to HSA	N/A	N/A	(\$1,500)

Three Medical Plans – High Expenses (Reaching OOP max)



Dan

Employee + Spouse Coverage

Background

- Both Dan and his spouse are managing chronic conditions.
 - They each take 2 generic preventative medications (retail - \$10)
- They each have 4 non-preventive specialist doctor visits (\$200 each) .
 - From the visits to the specialist, they were prescribed 2 generic medications each (\$10 copay, or \$75 retail cost (for HIP participants), each).
- Both Dan and his spouse each have a surgery requiring an inpatient hospital stay (average \$15,000)
 - He does not elect any contributions to a tax advantaged saving account (either FSA or HSA).

Services	Copay Plan	Coinsurance Plan	Health Investment Plan
Routine exams	\$0	\$0	\$0
Preventative medication (4 x 12 months)	\$480	\$480	\$480
Diagnostic visits to specialist (8)	\$280	\$280	\$1,600
Non-preventive medications (4)	\$40	\$40	\$300
Inpatient Hospital Stay (2)	\$0	\$500 deductible + \$2,950 = \$3,450 Adjusted to \$2,400 due to \$3,200 max	\$320 (remaining toward deductible) + \$2,968 (10% coinsurance) = \$3,288 Adjusted to \$2,820 due to \$5,200 max
Total Out of Pocket	\$800	\$3,200	\$5,200
Annual pay check contributions	\$3,970	\$1,614	\$1,614
Total Cost	\$4,770	\$4,814	\$6,814
3DS Contribution to HSA	N/A	N/A	(\$1,500)

Three Medical Plans – High Expenses with Tax Savings



Dan

Employee + Spouse Coverage

Background

- Both Dan and his wife are managing chronic conditions.
- They each take 2 generic preventative medications (retail - \$10)
- They each have 4 non-preventive specialist doctor visits (\$200 each) ,
- Among the 8 visits, they each have 2 generic medications each (\$10 copay, or \$75 retail cost (for HIP participants), each).
- Both Dan and his wife each have a surgery requiring an inpatient hospital stay (average \$15,000)
- He does not elect any contributions to a tax advantaged health saving account.

Services	Copay Plan	Coinsurance Plan	Health Investment Plan
Total Out of Pocket	\$800	\$3,200	\$5,200
Annual pay check contributions	\$3,970	\$1,614	\$1,614
Total Cost	\$4,770	\$4,814	\$6,814
3DS Contribution to HSA	N/A	N/A	(\$1,500)
<i>Employee Contribution to FSA/HSA (50% of OOP)</i>	<i>\$400</i>	<i>\$1,600</i>	<i>\$2,600</i>
Tax Savings (assume 35%)	(\$140)	(\$560)	(\$910)
Net	\$4,630	\$4,254	\$4,404

The Health Investment Plan

Deductible

- Deductible must be met before the plan begins to pay for care
- Minimum deductible is set by IRS requirements of CDHPs; generally higher than other types of plans
- Deductible applies to all non-preventive services, including non-preventive prescriptions. (Co-pays apply to preventive prescriptions).
- ***\$1,350 Individual coverage***
 - ***\$2,700 family coverage***

Coinsurance

- After deductible is met, cost of care is shared between the plan and the employee for all non-preventive services, including prescription drugs
- The plan pays 90% of the cost, and the employee pays the other 10%
- ***10% after meeting deductible***

Out-of-Pocket Max

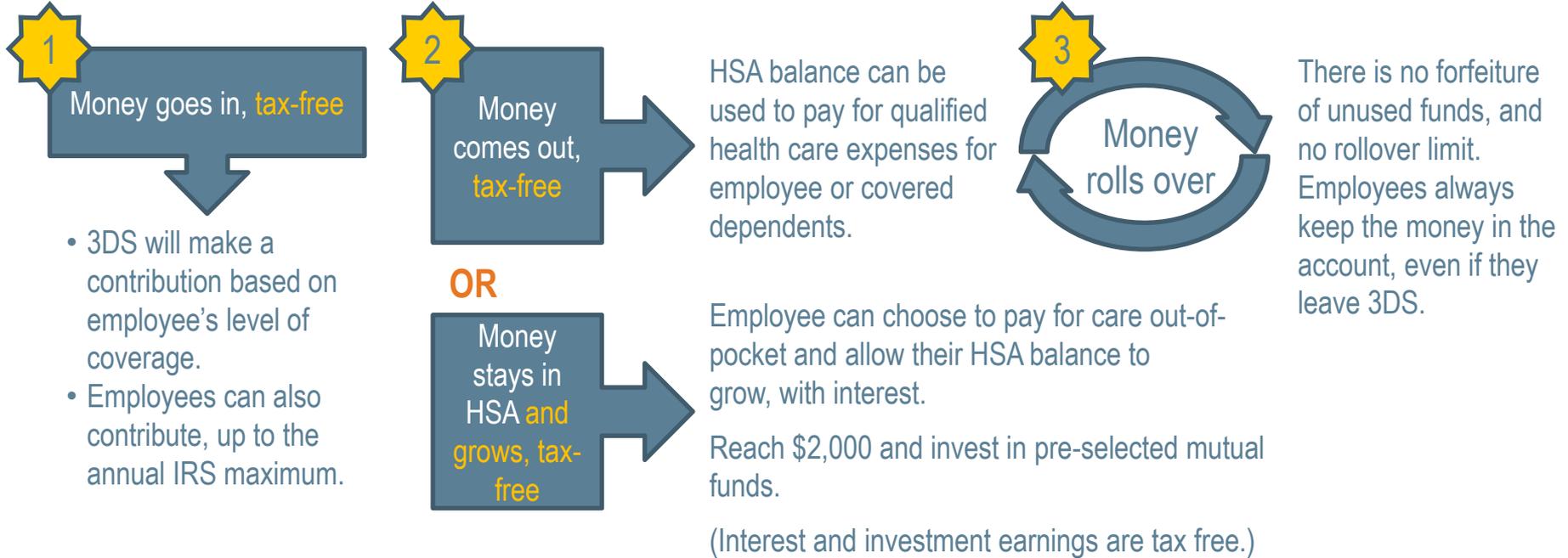
- If, in a given plan year, the employee reaches the plan's out-of-pocket maximum, the plan pays 100% of the cost for all covered services for the remainder of that year
- The employee is protected from catastrophic costs
- ***\$2,600 Individual***
 - ***\$5,200 family***

Health Savings Account

- Dassault Systèmes makes a base contribution on your behalf (***\$750 for an individual/\$1,500 for a family***)
- You can contribute up to the annual IRS maximum
- All contributions are tax-free when you make them, grow with tax-free interest, and are tax-free when you use them for qualified health expenses
- You can take the HSA with you if you leave 3DS or change plans; the money is always yours to keep

How the HSA works

Only the Health Investment Plan with an HSA offers a triple tax advantage, and the ability to plan for health costs over the long term – not just year-to-year.



A special note about the HSA

2

Money comes out, tax-free

HSA funds can be saved or spent at any time at the employee's discretion. Employees can use the funds during a plan year to pay for eligible expenses as they occur.

OR

Money stays in HSA and grows, tax-free

Or they can use the HSA as a tax-sheltered retirement savings vehicle, using after-tax pay for out-of-pocket health expenses and saving the HSA for the future. As long as you use your HSA money for eligible expenses, your HSA funds are always tax-free.

2019 Health Savings Account Contributions

Coverage	3DS*	You**	IRS Max Contribution
Individual	\$750	\$2,750	\$3,500
Family	\$1,500	\$5,500	\$7,000

* Deposited in Lump Sum

** If you are age 55 or older, you can save an additional \$1,000 per year

Other Considerations

- ▶ Certain rules apply if you want to participate in an HSA:
 - ▷ You may not have any other health coverage (e.g., coverage from a parent or spouse) while you are making contributions to an HSA (or while Dassault Systèmes is making contributions on your behalf).
 - ▷ You cannot have an active health care FSA.
- ▶ You cannot use your HSA to pay your medical plan contributions (payroll deductions). These contributions are already withheld from pay on a before-tax basis. You can, however, use them to pay other premiums such as long-term care insurance, COBRA premiums or premiums for supplemental medical insurance in retirement.
- ▶ If you leave the plan or leave 3DS for any reason, you keep your account balance. Administrative fees apply if your HSA balance falls below \$2,500.
- ▶ If you choose the Health Investment Plan for 2019, and then change coverage to another plan during a future year's Open Enrollment, you can still use the HSA to pay for qualified medical expenses, or let the tax free investment grow. However, you will not be able to make any additional contributions to the HSA while enrolled in a non-qualified plan.
- ▶ If you cover a dependent on your medical plan but he/she is not your tax dependent, you cannot use your HSA funds to pay for his/her medical expenses. Your HSA funds can only be used to pay expenses that are incurred by you, your spouse, or your tax dependent. If you cover a dependent under the Health Investment Plan who files his/her own tax return, while he/she cannot use funds from your HSA, he/she can choose to open his/her own HSA to pay qualified medical expenses.

The Health Investment Plan in action

For most people, the Health Investment Plan will be a great way to save money, but it might not be the right plan for everyone. Let's take a look at how the Health Savings Account may be utilized with the Health Investment Plan over a three-year period for three scenarios. For these examples, we'll assume all care is provided inside the network.

Steve



Julia



Puneet



The Health Investment Plan in action



Steve

*Low expenses
all three years*



Year One

- Relatively healthy; gets preventive care but doesn't go to doctor or take regular prescriptions
- Receives the 3DS contribution of \$750 to HSA, does not make additional contribution



Year Two

- Still healthy, and continues to see PCP for preventive care
- Receives the 3DS contribution to the HSA, and makes an additional contribution of \$1,000
- Has one non-preventive doctor visit (\$135) and one non-preventive prescription (\$17), and dental work (\$300)
- Uses HSA to pay \$300 of out-of-pocket expenses



Year Three

- Still healthy, and continues to see PCP for preventive care
- Got married in year two, and decided to add spouse to plan for year three; receives 3DS contribution for Employee + Spouse coverage level and makes additional \$2,000 contribution
- Spouse needs new glasses mid-year, uses HSA to pay \$250 out-of-pocket cost

Steve's HSA

3DS Contributions*	\$750	\$750	\$1,500
Steve's Contributions	\$0	\$1,000	\$2,000
Steve's Expenses	\$0	\$452	\$250
Steve's HSA Reimbursement	\$0	\$300	\$250
HSA Balance at Year-end**	\$750	\$2,200	\$5,450

* Assumes 3DS continues its 2019 HSA contribution amounts for future years

**Does not consider possible investment gains or losses



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The Health Investment Plan in action



Julia
Accident during year two



Year One

- Relatively healthy; gets preventive care but doesn't go to doctor or take regular prescriptions
- Receives the 3DS contribution of \$750 to HSA and makes small additional contribution to cover deductible amount



Year Two

- Still healthy, and continues to see PCP for preventive care
- Receives the 3DS contribution to the HSA, but doesn't make an additional contribution, since her deductible amount is now covered
- Accident while mountain biking leads to \$35,000 in costs for care; she is protected by the out-of-pocket maximum, capping her out of pocket costs at \$2,600



Year Three

- Still healthy, and continues to see PCP for preventive care
- Receives the 3DS contribution and makes an additional contribution to re-build her balance after expenses from year two
- Uses her HSA to pay minor medical and dental expenses (\$250)

Julia's HSA

3DS Contributions*	\$750	\$750	\$750
Julia's Contributions	\$600	\$0	\$2,000
Julia's Expenses	\$0	\$2,600	\$250
Julia's HSA Reimbursement	\$0	\$2,100***	\$750 (\$500 last year, \$250 this year)
HSA Balance at Year-end**	\$1,350	\$0	\$2,000

*Assumes 3DS continues its 2019 HSA contribution amounts for future years

**Does not consider possible investment gains or losses

***She must pay the additional \$500 toward the out-of-pocket max from non-HSA funds, but may choose to reimburse herself for that expense in a future year when her HSA balance is sufficient to cover the expense



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The Health Investment Plan in action



Puneet
Managing chronic conditions

Puneet's HSA



Year One

- Married and covers his spouse; both have chronic health conditions, see their doctors for several non-preventive visits each year, and take several non-preventive prescriptions that exceed annual deductible; pays these costs out-of-pocket
- Receives the 3DS contribution of \$1,500 to HSA, and maxes out contributions to IRS limit



Year Two

- Continues to have non-preventive doctor visits related to conditions and gets preventive screenings
- Receives the 3DS contribution and continues to max his individual contributions
- As in year one, exceeds annual deductible and pays incremental costs for care out-of-pocket to focus HSA on saving for the future



Year Three

- Plans to retire at the end of this year, so elects to have a knee replacement surgery while he still has coverage through 3DS
- Receives the 3DS contribution and maxes his individual contribution to the HSA
- Knee surgery and physical therapy, combined with their typical costs for medication, and doctor visit, bring Puneet's costs to the out-of-pocket maximum; uses HSA to pay out-of-pocket costs

3DS Contributions*	\$1,500	\$1,500	\$1,500
Puneet's Contributions**	\$6,500	\$6,500	\$6,500
Puneet's Expenses	\$3,150 (doctor visits and RX)	\$2,971 (doctor visits and RX)	\$5,200 (knee surgery)
Puneet's HSA Reimbursement	\$0	\$0	\$5,200
HSA Balance at Year-end***	\$8,000	\$16,000	\$18,800

* Assumes 3DS continues its 2019 HSA contribution amounts for future years

**Includes catch-up contribution allowance based on his age; annual IRS limits may change each year

***Does not consider possible investment gains or losses



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Medical Plan Cost Estimator



Coverage Advisor

Understanding your medical benefits can be challenging. This tool will estimate the costs of different insurance plans based on your expected use of health care services.

Review current claims history (medical, dental, and vision expenses) to prepare for medical plan cost estimator tool and planning for HSA or FSA

Access the Medical Plan Cost Estimator to assist you with determining which medical plan may be right for you and your family, based on your expected medical needs

- ▶ Compares your total cost (payroll contributions + out-of-pocket claim costs) under each plan to find the best value
- ▶ Models potential tax savings under Medical Savings Accounts (FSA and HSA)



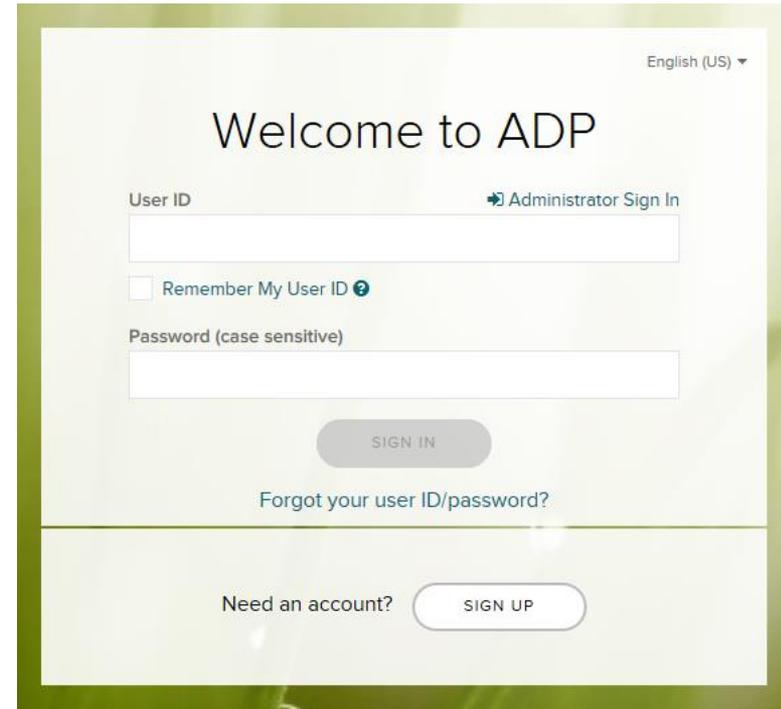
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Making your 2019 Elections (Through November 9)

Our enrollment site through ADP, <https://workforcenow.adp.com>, gives you the ability to view and update your:

- Benefit elections
- Life insurance beneficiaries
- Benefits-eligible dependents

You can also enroll by calling the 3DS Benefits Center- 855-547-8508



The image shows a screenshot of the ADP login page. At the top right, there is a language selection dropdown set to "English (US)". The main heading is "Welcome to ADP". Below this, there is a "User ID" input field with a "Administrator Sign In" link to its right. Underneath the User ID field is a checkbox labeled "Remember My User ID" with a help icon. Below that is a "Password (case sensitive)" input field. A "SIGN IN" button is centered below the password field. Below the button is a link that says "Forgot your user ID/password?". At the bottom of the page, there is a "Need an account?" link followed by a "SIGN UP" button.

Questions /Information

Questions	Contacts
For Benefit Enrollment Questions	<ul style="list-style-type: none"><li data-bbox="871 292 1798 434">• 3DS Benefits Center: 855-547-8508 MyLifeAdvisor@adp.com
For All Other Benefit Questions	<ul style="list-style-type: none"><li data-bbox="871 467 1798 500">• People Support Center

