

2016



PSCo Bargaining HDHP Guide



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2016

Introduction

Xcel Energy is excited to offer you and your family the opportunity to participate in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) in 2016. This guide will serve as one of the resources to get your questions answered and make your transition as smooth as possible.

This plan will offer some enhanced benefits but it is mostly just a change in how you pay for health care expenses, not a change to the overall benefits available to you and your family. The design of the plan significantly reduces your bi-weekly premium contributions, and in exchange you pay for the care you and your family receive, at the time the care is given, up to the annual out-of-pocket maximum limit.

In 2016 and 2017, Xcel Energy will make contributions to your HSA to get your account started. From there, you can choose to add to your account by making pre-tax contributions with the money you're saving in premiums. Your contributions to the HSA are not taxed as long as they are used to cover eligible medical expenses. And even better, your balance never expires—the money you don't spend will continue to be yours year after year. Rather than paying higher premiums, putting money into the HSA lets you build up an account you can use for your family's health care needs. And remember: If you do not have health care expenses, the HSA continues to grow until you need to use it.

This guide includes all of the important information you need to know about your 2016 medical benefits. If you see something here that is confusing, don't worry, you can always ask questions in person, online and by phone. We are here to help.

What To Do



Annual Enrollment OPEN
 November 2 – November 15, 2015

What you need to do:	
<input type="checkbox"/>	<p>Between now and November 2015</p> <p>Review this guide and myHR for details about your new medical benefits. <i>Note: You can access myHR from home at https://www.hr.xcelenergy.com or from work by selecting myHR on XpressNET. Details will also be shared on www.workingtogetheratxcelenergy.com.</i></p>
<input type="checkbox"/>	<p>Between now and November 2015</p> <p>Evaluate the benefits needs for yourself and your family.</p>
<input type="checkbox"/>	<p>November 2 through November 15, 2015</p> <p>Enroll in benefits for 2016 during Annual Enrollment. <i>Note: You MUST take action to enroll in the HDHP medical plan for 2016. If you do not enroll, you will not have Xcel Energy medical benefits in 2016.</i></p>
<input type="checkbox"/>	<p>November 2 through November 15, 2015</p> <p>Enroll in and open a Health Savings Account (HSA) with Optum Bank during Annual Enrollment. <i>Note: You MUST enroll in the Xcel Energy HSA in order to receive account contributions from Xcel Energy.</i></p>

What's changing in 2016:

- The Point of Service (POS) medical plan will no longer be offered.
- A High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) will be the only medical plan option available.
- Xcel Energy will contribute funds to your HSA at the beginning of the year—\$750 for individuals and \$1,500 for families covered by the HDHP (if you are eligible for and open an HSA).
- You can earn an additional \$25 HSA contribution from Xcel Energy by completing a Rally Health Survey. Earn another \$25 for your covered spouse/domestic partner when they complete the survey.
- A fitness center reimbursement program will be available, reimbursing up to \$40 per family per month.
- New pharmacy cost management programs will be implemented.

What's not changing in 2016:

- UnitedHealthcare will continue to administer your health care benefits and provide the network of doctors.
- Express Scripts will still administer your prescription drug benefits.
- The eligibility rules for dependents will remain the same.
- You will still need a qualified life event to change your coverage levels outside of Annual Enrollment.
- Premiums for medical, dental and vision will continue to come out of your paycheck either pre-tax or after-tax, based on your election.
- Dental, vision, life and AD&D insurance, and long-term disability benefits will remain the same.



Xcel Energy Resources

Online: www.workingtogetheratxcelenergy.com
 myHR <https://www.hr.xcelenergy.com>

Phone: HR Service Center **1-800-689-7662**

Benefit Plan Administrator Resources

Online: UnitedHealthcare www.myuhc.com
 Express Scripts www.express-scripts.com

Phone: UnitedHealthcare Customer Service **1-800-326-5506**
 Express Scripts Customer Service **1-800-336-3847**

Wellness Programs

- ♥ **Rally Health Survey:** If you are enrolled in the HDHP with an HSA, you can earn a \$25 contribution to your HSA for completing the Rally Health Survey. If your covered spouse or domestic partner completes the survey, you will earn another \$25.
- ♥ **Fitness Center Reimbursement Program:** Receive a \$20 reimbursement (up to a maximum of \$40 per family) for exercising at least eight times per month at a qualified fitness center.
- ♥ **myNurseLine:** Free 24/7 telephonic support from registered nurses.
- ♥ Online support through **myuhc.com** and at **liveandworkwell.com**, with access code: **xcel**.
- ♥ Telephonic wellness coaching options (diabetes, heart health, weight loss and more).



Xcel Energy High Deductible Health Plan with Health Savings Account

Beginning in 2016, Xcel Energy will offer PSCO bargaining employees a new medical plan—the Xcel Energy High Deductible Health Plan (HDHP) with Health Savings Account (HSA). UnitedHealthcare (UHC), in partnership with Optum Bank, will administer these benefits. You can also choose to waive coverage. If you and your spouse both work for Xcel Energy, you can only be covered under the bargaining unit plan, and your children cannot be covered twice under any Xcel Energy medical plan.

Information about Your Deductibles and Out-of-Pocket Maximums

Within the HDHP, you must meet a \$2,750 individual deductible (or a \$5,500 family deductible) each year before the plan pays for covered services. The family deductible applies to everyone who does not elect “Employee Only” coverage, and includes those who select “Employee + Spouse,” “Employee + Child(ren),” or “Employee + Family” coverage.

Additionally, in-network preventive care is covered at 100 percent without a deductible requirement.

After you meet your deductible, you will share the cost of eligible expenses with the company until the out-of-pocket maximum is reached. The out-of-pocket maximums are \$3,500 for an individual and \$7,000 for family coverage in-network (the out-of-pocket maximum for out-of-network expenses is \$5,250 or \$10,500). Once your expenses reach the out-of-pocket maximum, Xcel Energy will cover eligible expenses at 100 percent for the remainder of the calendar year. The most a family will pay for eligible in-network benefits in a year is \$7,000.

Family Coverage

Deductible

- If one family member meets the \$2,750 deductible, the plan will begin paying co-insurance for that person.
- If two or more family members meet the combined \$5,500 deductible, then the plan will begin paying co-insurance for the entire family.

Out-of-Pocket Maximum

- If one family member meets the \$3,500 out-of-pocket maximum, expenses will be covered 100% in-network for that person for the rest of the plan year.
- If two or more family members meet the combined \$7,000 out-of-pocket maximum, then the entire family will be covered 100% in-network for the rest of the plan year.

The following chart highlights HDHP in-network vs. out-of-network coverage. Details and plan limitations will be available in the Summary Plan Description.

Xcel Energy HDHP		
Plan Limits	In-Network	Out-of-Network
Deductible		
Individual	\$2,750 individual	\$3,750 individual
Family	\$5,500 family (includes out-of-network costs)	\$7,500 family (includes in-network costs)
Medical Co-Insurance (unless indicated otherwise)	10% after deductible 0% after out-of-pocket maximum	30% after deductible 0% after out-of-pocket maximum
Pharmacy Co-Insurance	20% – 50% after deductible (dependent on drug category) 0% after out-of-pocket maximum	20% – 50% after deductible (dependent on drug category) 0% after out-of-pocket maximum
Out-of-Pocket Maximum (includes deductible, pharmacy, co-insurance)	\$3,500 individual \$7,000 family (includes out-of-network costs)	\$5,250 individual \$10,500 family (includes in-network costs)
Lifetime Maximum	No maximum	No maximum
Your cost for covered services		
Office Visits	10% after deductible 0% after out-of-pocket maximum	30% after deductible 0% after out-of-pocket maximum
Urgent Care	10% after deductible 0% after out-of-pocket maximum	30% after deductible 0% after out-of-pocket maximum
Hospital ER	10% after deductible 0% after out-of-pocket maximum	10% after deductible 0% after out-of-pocket maximum
Preventive Care	0% (no deductible)	30% (no deductible)

Each time you need care, you may choose to see a provider inside or outside the UnitedHealthcare network. Keep in mind, however, that when you use network providers, you'll pay less out of your pocket for medical care, and you won't be responsible for amounts above the discounted fees.



Did you know...

Preventive care includes more than just your annual check-up. It also includes well woman exams, vaccinations, colonoscopies, and more.

Go to uhcpreventivecare.com to learn more about the recommended guidelines based on age and gender and talk to your doctor about the right care for you.

Did you know...

Your monthly premiums are decreasing by over 75% in 2016, which is over \$6,000 in premium savings for employees covering their families!

You can use that money to contribute to your HSA and pay for eligible medical expenses.



Information about Your Medical Premiums

One of the beneficial features of the HDHP is significantly lower premiums than traditional medical insurance plans. Please see the below chart for more information on your 2016 premiums.

Monthly Medical Premiums			
Coverage Level	POS 2015	HDHP 2016	Savings
Employee Only	\$218.22	\$46.46	(\$171.76)
Employee + Spouse	\$480.08	\$102.22	(\$377.86)
Employee + Child(ren)	\$381.88	\$81.30	(\$300.58)
Employee + Family	\$654.64	\$139.38	(\$515.26)

Instead of paying a higher monthly premium and copays when you receive care or fill prescriptions, you will pay lower premiums under the HDHP, and your costs will mostly depend on how much you and your family use the plan. As a reminder, Xcel Energy will be putting funds into your HSA to help with your expenses, and the plan covers in-network preventive care at 100 percent (which means that there is no cost to you).

Because of the monthly premium savings, we encourage you to contribute a portion of each paycheck to your Health Savings Account (HSA), which is available with the HDHP. The HSA is a pre-tax savings account created expressly to cover your medical and pharmacy costs, such as your deductible and co-insurance. Learn more about this valuable benefit in the HSA section of this guide.

Pharmacy Benefits

If you enroll in the Xcel Energy HDHP, you are automatically covered under the prescription drug program administered by Express Scripts.

Under the program, you can purchase up to a 90-day supply of your prescription medications in one of three ways (for maintenance prescriptions please see the Long-Term Medication section):

- Take your prescription to a retail pharmacy in the Express Scripts network. The network is the largest pharmacy network in the country and includes most major pharmacy chains.
- Take your prescription to a retail out-of-network pharmacy. Note that if you do this, your out-of-pocket costs will likely be higher.
- Provide your prescription information to the Express Scripts Home Delivery program. You can mail, fax or go online to request to have your medication mailed to your home. Standard shipping is free.

Prescription Coverage

When you are covered by the HDHP, you pay the full cost of your prescriptions before your deductible is met. You and the company then share in the cost of your covered medications until your out-of-pocket maximum is satisfied. Be sure to shop around and use the tools on express-scripts.com to stretch your money as far as possible. To receive credit toward your deductible and out-of-pocket maximum, and to access Express Scripts discounts, be sure you always present your ID card at the time of purchase. If you do this, the pharmacy will run your claim through Express Scripts' online claim system.

Out-of-Network Coverage

If you use a retail out-of-network pharmacy, you pay the full cost of the prescription at the pharmacy and will not be able to benefit from any Express Scripts discounts. To receive credit toward your deductible and out-of-pocket maximum, you must file a paper claim form. These can be found online at express-scripts.com, or you can request a copy from Express Scripts by calling **1-800-336-3847**.

Preventive Medications

Certain drug or drug categories, considered preventive, are covered at 100 percent by your pharmacy plan as required by healthcare reform. These drug or drug categories include: women's contraceptives, aspirin, folic acid, oral fluoride, immunizations, smoking cessation, and bowel preparations. Dosage limitations and other criteria for coverage such as age and gender limitations apply. Contact **Express Scripts** at **1-800-336-3847** for more information.

Long-Term Medications—Home Delivery Requirement

Many health conditions, such as high blood pressure, high cholesterol and asthma, are chronic conditions managed with a daily dose of medication. The HDHP limits retail pharmacy refills for long-term or maintenance medications to two fills per prescription for that medication.

How the Program Works

You will be able to purchase a maximum of two fills of each long-term medication at the retail pharmacy before needing to buy medications through Express Scripts' home delivery program. Prescriptions purchased at a retail pharmacy after the maximum fill allowance will not be considered eligible expenses to the plan and will not count toward your deductible or out-of-pocket maximum. Express Scripts will work with you along the way to help remind you to make the switch and assist you with the transition.

Prescriptions can easily be transferred to home delivery online by logging onto your account at express-scripts.com and finding tools for home delivery prescriptions.



Resources:

Additional information may be found at express-scripts.com. At this website, you may find information such as:

- Cost savings opportunities on prescriptions
- Cost information on retail versus Express Scripts' home delivery program
- Information on generic drugs

You may also call the **Express Scripts customer service line** at **1-800-336-3847** to speak with a representative.

Your Prescription Drug Costs

Xcel Energy manages pharmacy costs through a variety of programs administered by Express Scripts. One such program, referred to as "members pay the difference," works like this:

You will only receive credit toward your deductible and out-of-pocket expenses for the cost of a generic drug when a generic equivalent for a brand-name drug is available. Once your out-of-pocket maximum is met, Xcel Energy will cover 100 percent of the cost of the generic equivalent. You can continue to purchase the brand-name drugs if you wish, but you will be responsible for covering the price difference above the cost of the generic drug. The additional cost of the brand-name medication, above the cost of the generic is considered an ineligible expense and does not count toward your deductible or out-of-pocket maximum.

The plan includes additional controls to manage costs and ensure your safety. For certain medications, your doctor may need to provide additional information to Express Scripts before your prescription is filled, or there may be a limit to the number of doses you receive.

After you reach your individual or family deductible, and prior to reaching the out-of-pocket maximum, you will share in your pharmacy costs through co-insurance. You and Xcel Energy will share in drug costs as described below:

Pharmacy Cost Sharing After Deductible*

Type of Drug	Your share (co-insurance)	Minimum** you will pay	Maximum you will pay	Home delivery (up to 90-day supply) flat-rate you will pay
Generic	20%	\$10	\$20	\$20
Brand-Name Formulary	20%	\$20	\$50	\$50
Brand-Name Non-Formulary	50%	\$35	\$90	\$90

*The plan continues to cover 100 percent of eligible expenses after you reach your out-of-pocket maximum. Therefore, if a brand name drug is selected when generic is available, the plan will only cover the generic cost. You will be responsible for the difference.

** If the full cost of the drug is less than the minimum, you will be charged the lower amount. For example, if national generic programs offer a 30-day supply for \$4, you will be charged the \$4 rather than the minimum \$10.

Did you know...

Standard shipping is FREE for prescriptions from Express Scripts home delivery!

Prescriptions can easily be transferred to home delivery online by logging onto your account at express-scripts.com and finding tools for home delivery prescriptions.

Health Savings Account (HSA)

Xcel Energy offers you the HDHP with minimal monthly premiums. Because of this, you are encouraged to fund your HSA through monthly payroll deductions. The HSA is a pre-tax savings account created to cover your medical and pharmacy costs such as your deductible and co-insurance for current and future medical expenses, even in retirement. Optum Bank, a subsidiary of UHC, is the HSA vendor Xcel Energy has chosen to partner with to provide this account.

In order to have an HSA and make pre-tax contributions you must:

- Have qualifying HDHP coverage
- Not be entitled to Medicare (eligible and enrolled)
- Not have other disqualifying coverage, such as non-HDHP coverage through a spouse, VA, or Tricare

Opening an HSA

To open your HSA at Optum Bank and receive the Xcel Energy employee benefits, you must enroll in the HSA during Annual Enrollment. In early January 2016, Xcel Energy will make a contribution to your HSA of \$750 for individual coverage and \$1,500 for family coverage. Additional benefits of your Optum Bank HSA include payroll deductions, most account fees paid by Xcel Energy, and integration with your account through myuhc.com.

Xcel Energy will provide your enrollment information to Optum Bank. The U.S. Patriot Act requires financial institutions like Optum Bank to obtain, verify, and record information that identifies each person opening an account. Once your information is verified, and your HSA is opened, you will receive more details related to your account from Optum Bank.

Eligible Expenses under HSA

Examples of eligible HSA expenses include out-of-pocket costs during the deductible and co-insurance phases like doctor visits, lab tests, surgeries, and prescription drugs. Dental and vision expenses (i.e. out-of-pocket costs for fillings and crowns or eyewear) are also eligible HSA expenses. However, these expenses do not count toward your HDHP deductible. For a complete list of eligible HSA expenses, refer to IRS Publications 969 and 502 at irs.gov.

HSA dollars used to reimburse eligible expenses are non-taxable. However, you are not prevented from using your dollars for ineligible expenses. If you or a family member accidentally uses funds for non-eligible expenses, you can fix the mistake by working directly with Optum Bank. They have a process in place to assist you if this should occur.

Note: The IRS excludes domestic partners and their children as eligible dependents for HSA funds unless specific criteria are met. Consult the IRS or your tax advisor for guidance related to your individual situation.

Resources:

Once you are enrolled, account specific information, including your HSA balance is available at myuhc.com or by calling 1-800-326-5506.

Six Key Advantages of the HSA

1. Tax-free dollars can be used to pay for eligible health expenses
2. Unused dollars roll over for future use
3. Account earns tax-free interest
4. Balances over \$2,000 can be invested into mutual funds for additional earnings opportunity
5. You own the account 100 percent, even if you change jobs, retire or move
6. Reduces your taxable income



Did you know...

When you spend HSA dollars on medical expenses, you save based on your federal and state tax rate! The money in your HSA goes in and comes out tax free when used for qualified medical expenses.

For example, a \$2,000 annual contribution at a 25% tax rate = \$500 in reduced taxable income - that's real savings for you!

HSA Maximum Contribution

The IRS sets the annual maximum contribution into an HSA. For 2016, if you are only covering yourself, you are limited to \$3,350. If you cover dependents, your maximum is \$6,750. HSA owners age 55 and older can contribute an additional \$1,000.

This annual maximum includes all employee contributions **and employer contributions** (any HSA funds from Xcel Energy). If you and your spouse both participate in an HSA, your combined maximum contribution is \$6,750. You are responsible for monitoring your contributions to adhere to IRS guidelines.

Calculating Your HSA Contribution

	Single— under age 55	Single— age 55 and older	Family— under age 55	Family— age 55 and older
Components				
IRS Limit	\$3,350	\$4,350	\$6,750	\$7,750
⚠️ IRS limits include all contributions made by you and/or your spouse, including deposits directly to the bank, your spouse's HSA, as well as Company contributions and incentives from the Health Assessment.				
Xcel Energy contribution	(\$750)	(\$750)	(\$1,500)	(\$1,500)
Potential Rally Health Survey contribution	(\$25)	(\$25)	(\$50*)	(\$50*)
⚠️ Health Survey must be completed prior to Dec. 2016 to receive this contribution to your HSA.				
Your maximum contribution to reach the IRS limit if you complete the HA	\$2,575 <i>(\$107.29 per pay period)</i>	\$3,575 <i>(\$148.95 per pay period)</i>	\$5,200 <i>(\$216.66 per pay period)</i>	\$6,200 <i>(\$258.33 per pay period)</i>
Your contribution to meet your deductible	\$1,975 <i>(\$82.29 per pay period)</i>	\$1,975 <i>(\$82.29 per pay period)</i>	\$3,950 <i>(\$164.58 per pay period)</i>	\$3,950 <i>(\$164.58 per pay period)</i>

*Only employee and spouse/domestic partner are eligible. Children are not eligible to participate.

Changing your HSA Contribution

Another benefit of the HSA is that you may make changes to your pre-tax contributions at any time during the year. You can request changes to your annual election, per pay period contributions and one-time lump sum deposits as needed.

To make changes to your contribution amount during the year, log on to myHR through XpressNET or from home at <https://www.hr.xcelenergy.com>, and complete the HSA Contribution form located in the Forms and Links Library.

How to Access Your HSA Funds

You can only spend funds currently in your HSA account. Designated future deposits are not available prior to being deposited into your account.

1. Debit card issued specifically for your HSA
2. Checks specific to your HSA funds (can be ordered from Optum Bank with an additional fee)
3. Pay with non-HSA funds and later reimburse yourself

Reimbursement Accounts

Reimbursement accounts help save money on your health care expenses not covered elsewhere. The plans allow you to reserve pre-tax dollars for eligible expenses you expect to pay during the year. By contributing to the reimbursement accounts, you reduce your taxable income, so you pay less in taxes for the year.



Important: Unlike the HSA, the funds in these accounts must be used for eligible expenses by the end of the year or they are forfeited. This provision is commonly called “Use it or lose it” and applies to both accounts described below.

Available reimbursement accounts include:

- Limited Purpose Flexible Spending Account (LPFSA)—reserved for participants in the HDHP with an HSA
- Health Care Reimbursement Account (HCRA)—offered to anyone covered by the HDHP but not eligible for an HSA.

Please be aware the Internal Revenue Service (IRS) excludes domestic partners and their children as eligible dependents for reimbursement accounts.

Your contributions are automatically deducted from your pay on a pre-tax basis throughout the year. When you incur an eligible expense during the year, simply submit a claim for reimbursement to the account administrator.

LPFSA/HCRA

You have two options to set pre-tax money aside to cover your and your family’s eligible healthcare expenses, depending on your HSA eligibility:

- The LPFSA—Set aside up to \$2,500 annually for yourself and your family’s eligible dental and vision care expenses in the LPFSA. While you can use your HSA to pay for dental and vision expenses, you may wish to set aside an additional amount in an LPFSA for a predictable large dental or vision expense, such as your child’s orthodontic treatment or your laser eye surgery.
- The HCRA—Set aside up to \$2,500 annually for your and your family’s eligible healthcare expenses (medical, dental and vision) in the HCRA.



Reminder

Be careful when selecting your annual election as you will lose any funds that you don’t spend for the year. Changes can only be made to funding when you experience a qualified life event.

Eligible Expenses

You may use the LPFSA for the following types of expenses you or your eligible dependents incur:

- Eligible dental expenses not covered under the dental plan
- Eligible vision expenses not covered under the vision plan

You may use the HCRA for the following types of expenses you or your eligible dependents incur:

- Medical, dental and vision plan deductibles, co-payments and co-insurance
- Prescription drug co-payments and co-insurance
- Eyeglasses, prescription sunglasses and contact lenses not covered through the vision plan
- Laser eye surgery*
- Orthodontic care* not covered through the dental plan

* Be sure you are a candidate for the intended services prior to funding your account.

Reimbursements

The LPFSA and HCRA reimbursement limit is the total annual amount you elect to contribute, minus any previous reimbursements for the year. Your expenses are only eligible if they were incurred during the plan year and during the time you contributed to your account.

Xcel Energy’s plan year is Jan. 1 through Dec. 31. Expenses are incurred on the date you receive the service or care. You have until March 31 of the following year to submit your claims to UnitedHealthcare.



Resources

UnitedHealthcare is the administrator for the HCRA and LPFSA. For more information, visit myuhc.com. Under “Learn More About,” you can click on the link “Flexible Spending Account” to learn more. Additional information regarding this program is also available on myHR.

Xcel Energy Resources

Online: www.workingtogetheratxcelenergy.com
myHR <https://www.hr.xcelenergy.com>

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