



Deductible Account Statement Template and Quick Guide

Quick Reference Overview

Description: Most members of the Kentucky HEALTH program are provided a fully-funded \$1,000 Deductible Account, maintained by their Managed Care Organization (MCO). The Deductible Account will help members track their healthcare spending and show the cost of healthcare services.

The Deductible Account is fully funded by the Commonwealth of Kentucky. Members are not responsible for paying \$1,000. Members will not receive any bills for services applied to their Deductible Account.

The Deductible Account pays for the first \$1,000 of a member's non-preventive medical and pharmacy services. Preventive services do not count against the Deductible Account, and may allow the member to earn dollars in their My Rewards Account.

Once a member's Deductible Account is empty, all eligible claims for covered services continue to be paid by their MCO. If a member does not use all \$1,000 in the year, up to half of the money left in the Deductible Account at the end of the year may be rolled into their My Rewards Account.

Timing: Kentucky HEALTH members will receive statements showing the balance in their deductible accounts when the program begins.

Deductible Account Template

Each MCO will use the following Deductible Account statement template beginning on the next page.

[MCO Logo]
[MCO Address]

Deductible Account and Healthcare Summary

THIS IS NOT A BILL.

[Date]

[First Name] [Last Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip Code]

Dear [First Name] [Last Name]:

As part of your enrollment in the Kentucky HEALTH program, **[MCO Name]** provides you with a monthly summary of your healthcare spending. At the beginning of the year, you were assigned a \$1,000 Deductible Account. This statement shows your deductible account activity from [Month, Day] through [Month, Day, Year], and shows a summary of all healthcare services (next page) you received during the same period. It is possible some medical expenses will not be applied to your deductible account.

| <i>[Month Year] Deductible Account Summary</i> | |
|---|-----------------|
| Previous statement balance | \$1,000.00 |
| Medical and pharmacy spending applied to account [insert applicable date range] | (\$250.00) |
| Remaining Deductible Account balance | \$750.00 |

At the end of the year, up to half of your remaining Deductible Account balance may be added to your My Rewards Account. Remember, preventive services do not count against your Deductible Account, and may allow you to earn dollars in your My Rewards Account.

Please contact **[phone number]** if this statement is not accurate or if you have any questions.

[MCO Logo]
[MCO Address]

| Explanation of Benefits (EOB) Summary [Month Year] | | | | | | | |
|---|---------------------|-----------|--------------|---------------|-------------------------|--------------------------------|-------|
| Service Date | Service Description | Provider | Claim Number | Billed Amount | Paid Amount | Applied to Deductible Account? | |
| ##/## | Office Visit | Dr. Smith | ##### | \$300 | \$125 | Y | \$125 |
| ##/## | Pharmacy | CVS | | \$300 | \$125 | Y | \$125 |
| ##/## | Office Visit | Dr. Smith | ##### | \$300 | \$125 | N | \$0 |
| | | | | | | | |
| | | | | | \$375 Total Paid | \$250 Applied to Account | |

Deductible Account Quick Guide

- What is a Deductible Account?
 - As a member of the Kentucky HEALTH program, you are assigned a fully funded \$1,000 Deductible Account, maintained by your Managed Care Organization (MCO). This account pays for all non-preventative medical and pharmacy services. The Deductible Account will help you track your healthcare spending and show you the cost of your healthcare services.
- Do I pay for the deductible?
 - No, the Deductible Account is fully funded by the Commonwealth of Kentucky. You are not responsible for the \$1,000 funding payment. You should not receive any bills for services applied to your Deductible Account. Instead, this account shows what you would pay under a health insurance plan with a deductible.
- What happens when the \$1,000 is used?
 - Once your Deductible Account is empty, all eligible claims for covered services are paid by your MCO. You will receive a statement to let you know when you have used all \$1,000.
- What happens if I do not use all \$1,000?
 - Up to half of the money left in the Deductible Account at the end of the year may be rolled into your My Rewards Account 90 days after the year ends. The funds that roll over will be based on the number of months you were eligible and enrolled in Kentucky HEALTH.
- How do I read this statement?
 - You will receive this statement every month.
 - The “**Previous statement balance**” shows the amount of money left in your Deductible Account from last month.
 - “**Total medical and pharmacy spending applied to account**” shows the bills received for your health services since the last statement.
 - You may have gone to the doctor in the past month, but if the doctor did not submit a bill yet, it will not show up until the bill is received by the MCO.
 - The “**Remaining Deductible Account balance**” is the previous balance minus any reported spending.
 - The “**Explanation of Benefits (EOB) Summary**” shows the bills received during a month, the amounts charged for each service, and if it applied to your Deductible Account.
- Why was a service not applied to my deductible account?
 - A service was still paid for even if it was not applied to your Deductible Account. A service might not be applied to your Deductible Account if:
 1. It was a **preventive service**, like a well-child or well-adult checkup. These services are paid for by your MCO. You can earn My Rewards dollars for getting preventive services, so be sure to check your My Rewards Account at **CitizenConnect.ky.gov**
 2. You have **used all of the money** in your Deductible Account.