

## DirigoChoice Discount Estimator Worksheet

DirigoChoice offers discounts on: (1) the monthly cost of coverage, and (2) deductibles and out-of-pocket costs. There are four discount groups (B-E) that range from 80% to 10%, depending on household income, size and assets. If you do not qualify for a discount, you will be assigned Group F. If you qualify for a discount, your final monthly cost will be lower than the rate quote you received from Harvard Pilgrim Health Care (HPHC) or your insurance broker. Separate rules apply for Health Coverage Tax Credit (HCTC) and Medicare-eligible members. You can use this worksheet to estimate your discount group. If you have any questions, call the Dirigo Health Agency at 1-877-892-8391 which is toll-free in Maine, or 207-287-9900 (TTY 207-287-4344).

### **Step 1: Enter your personal information. The financial information must be annual numbers**

**1. Household size.**

“Household” equals the applicant plus all dependents. “Dependent” means an applicant’s spouse or domestic partner, an unmarried child less than 23 years of age who qualifies as a dependent for tax purposes, or a person of any age who is the child of a plan enrollee and is disabled and dependent upon that plan enrollee. “Child” means a natural child, stepchild, adopted child, or child placed for adoption with a plan enrollee.

**2. Household Wages:** Use a copy of your most recent Federal 1040 tax return. If it does not represent your present income, include the following with the 1040 tax form: a signed letter explaining the changes, copies of two pay stubs, other proof of income.

<b><u>What is Counted</u></b>	<b><u>Annual Amount</u></b>	<b><u>Where to find it on your most recent Federal 1040 tax return</u></b>
2a. Applicant gross wages, tips and salaries (before any deductions)	\$	Use Form 1040 Line 7 “Wages, salaries, tips, etc.” or wages as reported on W-2. Do not use Line 37, “Adjusted Gross Income”.
2b. Spouse or Domestic Partner gross wages, tips and salaries (before any deductions)	\$	
2c. Net self-employment income (gross receipts minus allowable business expenses)	\$	Form 1040 Line 12 “Business income or (loss).” We also accept IRS Quarterly Estimate of Earnings.

**Annual Other Income**

3a. Interest and investment income (savings accounts, dividends from stocks, bonds, trusts, mutual funds)	\$	Form 1040 Line 8a and Line 9a, or annual interest income statements
3b. Alimony received	\$	Form 1040 Line 11 or divorce settlement order
3c. IRA distributions	\$	Form 1040 Line 15a or Line 15b if Line 15a is blank
3d. Pensions, annuities, 401(k)	\$	Form 1040 Line 16a, or 16b if Line 16a is blank. Award letters or statement from payer
3e. Net rental income (gross rents minus allowable expenses), royalties, trusts, etc.	\$	Form 1040 Line 17
3f. Farm income or loss	\$	Form 1040 Line 18
3g. Unemployment compensation	\$	Form 1040 Line 19 or award letter
3h. Social Security of all types and Railroad Retirement	\$	Form 1040, Line 20a, or award letters. Survivor benefits for children are excluded
3i. Gross child support received	\$	Use support orders or checks

**4. Income Subtotal** \$ \_\_\_\_\_  
(Total of lines 2a through 3i)

**5. Child-Related Annual Allowable Deductions**

DirigoChoice is underwritten by HPHC Insurance Company, Inc. (HPHC) an affiliate of Harvard Pilgrim Health Care, Inc.

5a. Childcare expenses \$ \$200 per child per month if under age 2, \$175 per child per month if age 2 or older is allowed. Caregiver must be a person outside the household.

5b. Child support paid out \$ Use court orders or checks  
Alimony paid out

6. Deductions Subtotal \$ \_\_\_\_\_  
(Total of lines 5a. through 5b.)

7. Income Total \$ \_\_\_\_\_  
(Line 4 minus line 6)

(Note: Workers' Compensation and Veterans Affairs disability payments are not counted as income)

**Step 2: Asset Information (required in order to be considered for a discount)**

List any assets owned by you and your spouse or domestic partner. Include assets owned jointly with another person.

<b>3a. Cashable Assets:</b> This includes savings and checking accounts. Use the checking account balance left after monthly expenses. Certificates of Deposit (CDs), credit union shares, stocks, bonds, annuities, mutual funds, or profit sharing plans.		<b>DO NOT INCLUDE:</b> Retirement and educational savings accounts, amounts already included as wages or income on Form 1040, Workers' Compensation payments, Veterans' Affairs Disability payments.		
<b>Type of Asset</b>		<b>Value or Balance</b>		
<input type="checkbox"/> <b>I have no countable cashable assets</b>				
<b>3b. Vehicles:</b> Include Recreational vehicles such as boats, motorcycles, snowmobiles, ATVs. (Estimated value = "Blue Book" value minus the amount you may owe)		<b>DO NOT INCLUDE:</b> Primary vehicle and secondary vehicle if used as transportation for essential daily activities.		
<b>Year</b>	<b>Make/Model</b>	<b>Blue Book Value</b>	<b>Amount Owed</b>	<b>Estimated Value</b>
<input type="checkbox"/> <b>I have no countable vehicle assets</b>				
<b>3c. Real estate:</b> List any other property you own (for example, a second home, camp, land not attached to your primary home). Use property tax bill for estimated value.		<b>DO NOT INCLUDE:</b> Your primary home and surrounding land where you reside, income producing property (rentals, fishing boats, commercial trucks, machinery, livestock)		
<b>Type of Real Estate</b>		<b>Estimated Value</b>		
<input type="checkbox"/> <b>I have no countable real estate assets</b>				
<b>3d. Lump sum payments:</b> (for example gifts, inheritances, lottery winnings, any insurance settlements not included in 3a above.		<b>DO NOT INCLUDE:</b> Amounts already included in checking and savings accounts listed in 3a above.		
<b>Type of Payment</b>		<b>Value</b>		
<input type="checkbox"/> <b>I have no countable lump sum payment assets</b>				

Total Value of Countable Assets: \$ \_\_\_\_\_

**Step 3: How to Estimate Your Income Discount Group**

On the Income Discount Chart find your household size in the left column. This is the information you entered in Section 2 Number 3 above. Then go right until the dollar amount in the column is greater than your total income. This is the amount you entered in Section 2 Number 8 above. Then read up to see your Income Discount Group.

For example, if you have a household size of 1 and your household income is \$15,000, you would be in Income Discount Group B.

If you have a household size of 2 and your household income is \$24,000, you would be in Income Discount Group C.

INCOME DISCOUNT CHART				
Discount Group	B 80%	C 55%	D 30%	E 10%
Household Size	Annual Income Less Than:			
1	\$16,245	\$21,660	\$27,075	\$32,490
2	\$21,855	\$29,140	\$36,425	\$43,710
3	\$27,465	\$36,620	\$45,775	\$54,930
4	\$33,075	\$44,100	\$55,125	\$66,150
5	\$38,685	\$51,580	\$64,475	\$77,370
6	\$44,295	\$59,060	\$73,825	\$88,590

Enter your Income Discount Group: \_\_\_\_\_

**Step 4: Estimate Your Final Discount Group On The Charts**

**Below:**

On the charts to the right find your household size at the top which is either Single for a household of 1 or Family for a household of more than 1. Then go down until the amount in the Countable Asset column is greater than your total assets (which is the Total Value of Countable Assets amount in Section 3 above). Then read across to the column header which corresponds with your Income Discount Group to see your Final Discount Group.

For example, if you have a household size of 1 (Single) and your household income would qualify for an Income Discount Group of B and you had \$32,000 in assets you would have a Final Discount Group of D.

If you have a household size of 2 (Family) and your household income would qualify you for an Income Discount Group of C and you had \$63,000 in assets you would have a Final Discount Group of E.

If your assets are greater than the amount shown in the last row of the charts, you are not eligible for a discount.

SINGLE				
Income Discount Group	B	C	D	E
Countable Asset Amount				
\$15,000	B	C	D	E
\$29,999	C	D	E	F
\$44,999	D	E	F	F
\$59,999	E	F	F	F
\$60,000	F	F	F	F

FAMILY				
Income Discount Group	B	C	D	E
Countable Asset Amount				
\$30,000	B	C	D	E
\$59,999	C	D	E	F
\$89,999	D	E	F	F
\$119,999	E	F	F	F
\$120,000	F	F	F	F

**What Does Your Final Discount Group of B Through E Mean?**

1. Discount on the monthly coverage payments.
2. Reductions in deductibles and out-of-pocket costs.

<b>Group B - 80% Discount</b>		<b>Deductible</b>	<b>Out-of-Pocket</b>
<b>Plan 1</b>	Single	\$ 500	\$1,050
	Family	\$ 750	\$1,850
<b>Plan 2</b>	Single	\$ 750	\$1,850
	Family	\$1,250	\$3,450
<b>Plan 3</b>	Single	\$ 750	\$ 950
	Family	\$1,250	\$1,650
<b>Group C - 55% Discount</b>		<b>Deductible</b>	<b>Out-of-Pocket</b>
<b>Plan 1</b>	Single	\$ 750	\$1,850
	Family	\$1,250	\$3,450
<b>Plan 2</b>	Single	\$1,050	\$2,850
	Family	\$1,850	\$5,450
<b>Plan 3</b>	Single	\$1,250	\$1,650
	Family	\$2,250	\$3,050
<b>Group D - 30% Discount</b>		<b>Deductible</b>	<b>Out-of-Pocket</b>
<b>Plan 1</b>	Single	\$1,000	\$2,650
	Family	\$1,750	\$5,050
<b>Plan 2</b>	Single	\$1,375	\$3,850
	Family	\$2,500	\$7,450
<b>Plan 3</b>	Single	\$1,750	\$2,350
	Family	\$3,250	\$4,450
<b>Group E - 10% Discount</b>		<b>Deductible</b>	<b>Out-of-Pocket</b>
<b>Plan 1</b>	Single	\$1,250	\$3,450
	Family	\$2,250	\$6,650
<b>Plan 2</b>	Single	\$1,700	\$4,850
	Family	\$3,150	\$9,450
<b>Plan 3</b>	Single	\$2,250	\$3,050
	Family	\$4,250	\$5,850

3. A self-employed person will contribute the minimum employer contribution of 60% of the single contract tier and will receive any discount on the remaining balance of the payment.
4. The discount applies to the employee share after a minimum employer contribution of 60% of the single contract tier. This may be prorated for employees who work more than 20 but less than 30 hours per week.

**What If I Don't Qualify for a Discount?**

You can still participate in DirigoChoice with the following deductible and out-of-pocket cost (you will be in Group F).

	Single Deductible	Single Annual Out-of-Pocket	Family Deductible	Family Annual Out-of-Pocket
<b>Plan 1</b>	\$1,500	\$4,250	\$2,750	\$8,250
<b>Plan 2</b>	\$2,000	\$5,850	\$3,750	\$11,450
<b>Plan 3</b>	\$2,750	\$3,750	\$5,250	\$7,250

Self-employed and individuals are eligible for Plans 2 and 3.

**Available to small groups only under Plan 1:**

- Single: \$1,000 deductible/\$2,650 annual out-of-pocket
- Family: \$1,750 deductible/\$5,050 annual out-of-pocket

**Available to small groups only under Plan 2:**

- Single: \$1,375 deductible/\$3,850 annual out-of-pocket
- Family: \$2,500 deductible/\$7,450 annual out-of-pocket

The annual membership fee is \$150 for Self-employed and Individuals. This fee is being pro-rated to \$12.50 per month and added to your bill.