

Enrollment Change from HDHP to PPO Window Frequently Asked Questions

What is a High Deductible Health Plan (HDHP)?

A High Deductible Health Plan (HDHP) is a health insurance plan with a higher annual deductible that must be met before most services are covered. It is typically paired with lower premiums and allows eligibility to contribute to a Health Savings Account (HSA) and to receive HSA contributions from the University. For 2026, Northwestern offers two HDHPs: the [HSA Plus](#) and the [HSA Essential](#) plans.

Why is the HDHP to PPO Window being offered?

For the 2026 plan year, the medical plan lineup shifted from two PPOs, one HDHP, and one HMO to one PPO, two HDHPs, and one HMO. To enroll in medical coverage for the 2026 plan year, employees were required to select a new medical plan during open enrollment. As a result, some employees enrolled in an HDHP but were unaware that the deductible calculation under the HDHP does not include price discounts from a third party (such as a drug manufacturer), which in some cases can be significant. In the HDHPs, only the employee's own out-of-pocket payments count toward the deductible. In the PPO, employees pay a set copay for prescription drug expenses and are not required to satisfy a deductible.

Northwestern wanted to provide extra support to these employees and any others who may be similarly situated. For this reason employees are being provided a one-time mid-year election to move to from an HDHP to the PPO.

How do I evaluate if I should change coverage?

If you think you will be impacted by the exclusion of third-party discounts from the deductible under the HDHP, you may wish to consider whether the PPO plan will be a more cost-effective alternative. This will vary for each person, based on their medical and prescription drug expenses. Because this enrollment window is available to all participants in the HDHPs, you may elect to change coverage even if third-party prescription drug discounts do not impact your out-of-pocket costs under the HDHP, if you determine, based

on your individual circumstances, that changing from the HDHP to the PPO at this time is beneficial to you.

A video outlining all four plans, originally shared during Open Enrollment, is available [here](#) as well as the [Medical and Rx Plans At A Glance document](#). You can also find information about coverage and premiums on the medical plan [website](#) and prescription drug [website](#).

What happens to the money in my Health Savings Account (HSA) if I enroll in the PPO?

Only individuals enrolled in a High Deductible Health Plan (HDHP) - (HSA Plus or HSA Essential) are eligible to contribute to a Health Savings Account (HSA). Starting April 1, when your PPO plan enrollment is effective, all HSA contributions—both employee and University—will stop.

Funds already in your HSA from 2025 and prior years will remain in your account and can continue to be used for eligible expenses. Contributions made in 2026 are subject to a prorated annual limit, outlined below. Any employee contributions that exceed the prorated limit will be refunded to you. Any University matching contributions that exceed the prorated limit will be forfeited.

Because you will not be enrolled in an HDHP plan for the full calendar year, your 2026 HSA contribution limit must be prorated to reflect the three months during which you were enrolled in the HDHP. The prorated limits are:

- \$1,100 for employee-only coverage
- \$2,187.50 for family coverage

These limits apply to the combined total of employee and University contributions. Employees who are age-55 or older may contribute an additional \$250 in pro-rated catch-up contributions for the year.

If I enroll in the PPO may I also enroll in a 2026 Health Care FSA now?

No. The enrollment window only permits a change from an HDHP to the PPO plan. It does not allow enrollment in, or changes to, any other benefit plans—including the [Health Care Flexible Spending Account](#) (FSA).

What happens to my 2026 Limited Use FSA if I am enrolled for 2026 if I enroll in the PPO?

If you are enrolled in the [Limited Use Flexible Spending Account](#) (FSA)—which may be used only for eligible dental and vision expenses—you must remain enrolled for the full plan year unless you experience a qualifying change in status. Limited Use FSA participation cannot be canceled mid-year, nor can it be converted to a Health Care FSA, even if you switch from an HDHP to the PPO plan.

If I change my enrollment to the PPO, will my premiums be deducted from my paycheck on a pre-tax or post-tax basis?

Faculty and staff who enroll in the PPO plan during the Enrollment Change from HDHP to PPO Window will see an increased premium beginning April 1, 2026. PPO premium rates can be found [here](#).

Under IRS rules, the difference between your current HSA Plus or HSA Essential premium and the PPO premium must be deducted on an after-tax basis. This means that portion of the premium will be included in your taxable income. The amount you currently pay for the HSA Plus or HSA Essential plan will continue to be deducted pre-tax; only the additional premium amount for the PPO will be taken post-tax.

Example

If you currently pay \$81 per month for You Only coverage under the HSA Plus plan and you switch to the PPO, your new premium will be \$116 per month.

- \$81 will continue to be deducted pre-tax
- The \$35 difference (\$116 – \$81) will be deducted post-tax

What happens to my YTD deductible balance for medical and prescription drug expenses if I enroll in the PPO?

Any eligible year-to-date medical deductible balances applied to the HDHP will be credited to the PPO medical deductible and out-of-pocket maximum. Any eligible year-to-date prescription drug deductible balances applied to the HDHP will be credited to the PPO prescription drug out-of-pocket maximum.

Where do I go if I have questions?

All questions should be directed to the [askHR Service Center](#) at 847-491-4700 or askHR@northwestern.edu.