

Example 2 – Single Employee with More Medical Expenses

The example shows you how much a single person with more medical expenses will pay for care with each of the Medical Plan options. When deciding which Medical Plan is right for you, it is important to look at your total medical and prescription drug expenses, which include what you pay for services AND what you pay in paycheck deductions for each plan.

Meet Juanita

- Juanita is married, but her husband doesn't have medical coverage with her employer. So she will elect Employee Only coverage.
- Juanita is typically in good health, and she doesn't use tobacco. However she's having a bumpy year.
- Let's pretend that she will need to:
 - o Get her annual wellness exam;
 - o Go to the primary care doctor four times;
 - o Visit a specialist four times;
 - o Get one round of lab work;
 - o Go to the ER once because of her health condition;
 - o Visit the hospital for inpatient surgery; and,
 - o Fill three generic prescriptions at the pharmacy and two more generic prescriptions through home delivery.

The amounts shown are estimates for Juanita's care under both plans. The numbers are for illustration purposes only. Please note Juanita's annual wellness exam was routine preventive care. So the plan covered her wellness exam at 100% (shown as \$0 on the chart). All other amounts show Juanita's out-of-pocket costs and assume he used in-network providers.

	<i>Cost of Care</i>	CDHP	PPO
Annual Deductible (Individual)		\$3,750	\$1,250
Out-of-Pocket Maximum (Individual)		\$4,500	\$4,000
Annual Medical Expenses:			
One annual wellness exam	\$250 x 1	\$0 (covered 100%)	
Four primary care doctor visits	\$80 x 4	\$320	\$100 (<i>\$25 copay x 4</i>)
Three 31-day, retail generic drugs	\$30 x 3	\$90	\$21 (<i>\$7 copay x 3</i>)
One trip to the ER	\$800 x 1	\$800	\$800
Four specialist doctor visits	\$110 x 4	\$440	\$80 (<i>\$40 copay x 2</i>)
One round of lab test	\$500 x 1	\$500	\$460 Deductible Met (<i>\$450 toward deductible, 20% coinsurance on remaining \$50</i>)
Two 90-day, retail generic drugs filled via mail order	\$50 x 2	\$100	\$28 (<i>\$14 copay x 2</i>)
In-patient surgery & hospital stay	\$12,000	\$2,250 Deductible Met & OOP Max Met (<i>\$1,500 toward deductible, 10% coinsurance up to OOP Max Met</i>)	\$2,400 (<i>20% coinsurance</i>)
Six physical therapy visits	\$90 x 6	\$0	\$108 (<i>20% coinsurance</i>)
Total expenses	\$15,040	\$4,500	\$3,997

Juanita's Paycheck & Out-of-Pocket Costs:			
	Cost of Care	CDHP	PPO
Annual paycheck deductions		\$810	\$1,900
Deductible amount paid by Juanita		\$3,750	\$1,250
Other costs paid by Juanita*		\$750	\$2,747
Annual Partnership-provided contributions		(\$1,000)	N/A
Juanita's Total Cost		\$4,310	\$5,897

*Includes copays and out-of-pocket costs after the deductible is met.

To calculate Juanita's total cost, we added her annual out-of-pocket expenses (deductible + coinsurance and/or copayments + annual paycheck deductions based on the non-tobacco user rates) and subtracted her Partnership-provided HSA contribution. As you can see, your savings are much greater with the CDHP! Juanita could also save even more by making her own HSA contribution and lowering her taxable income.