

Example 3 – Single Employee with Major Medical Expenses

This example shows you how much a single person with major 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 Alex

- Alex is single. He doesn't smoke and gets his annual physical.
- He uses in-network doctors, but he's had a tough year.
- Let's pretend that he will need to:
 - Get his annual physical;
 - Go to the primary care doctor six times;
 - Visit a specialist six times;
 - Get two MRIs and 2 X-rays
 - Go to the ER once
 - Visit the hospital once for out-patient surgery and once for inpatient surgery;
 - Visit a physical therapist twelve times; and,
 - Fill three generic prescriptions at the pharmacy and one more generic prescriptions through home delivery.

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

	Cost of Care	CDHP	PPO
Annual Deductible (Individual)		\$3,750	\$1,250
Out-of-Pocket Maximum (Individual)		\$4,500	\$4,000
Annual Medical Expenses:			
One annual physical	\$250 x 1	\$0 (covered 100%)	
One ER visit	800 x 1	\$800	\$800
One X-ray	\$500 x 1	\$500	\$460 Deductible Met (\$450 to meet deductible, 20% coinsurance on remaining \$50)
Out-patient surgery	\$6,000	\$2,805 Deductible Met (\$2,450 to meet deductible, 10% coinsurance on remaining \$3,550)	\$1,200 (20% coinsurance)
In-patient surgery & hospital stay	\$22,000	\$395 Out-of-Pocket Met	\$1,540 Out-of-Pocket Met
Twelve physical therapy visits	\$90 x 12	N/A	N/A
One X-ray	\$150 x 1	N/A	N/A
Two MRIs	\$1,100 x 2	N/A	N/A
Six primary care doctor visits	\$80 x 6	N/A	N/A
Ten specialist doctor visits	\$110 x 10	N/A	N/A
Eight 31-day, retail generic drugs	\$30 x 8	N/A	N/A
One 90-day, retail generic drugs	\$50 x 1	N/A	N/A
Total expenses	\$35,200	\$4,500	\$4,000
Alex's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$810	\$1,900
Deductible amount paid by Bill		\$3,750	\$1,250
Other costs paid by Bill*		\$750	\$2,750
Annual Partnership-provided contributions		(\$1,000)	\$0
Alex's Total Cost		\$4,310	\$5,900

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

To calculate Alex's total cost, we added his annual out-of-pocket expenses (deductible + coinsurance and/or copayments + annual paycheck deductions) and subtracted his Company-provided HSA contributions. **The CDHP wins!**