

Example 4 – Married Employee with Few Medical Expenses

This example shows you how much a married person with fewer 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 Carl

- Carl is married. He and his spouse are in good health and don't use tobacco.
- They get their annual physicals, use in-network doctors, and have a pretty smooth year.
- Let's pretend that they will need to:
 - o Get their annual physicals;
 - o Go to the primary care doctor once during the year;
 - o Visit an urgent care clinic and get an X-ray for a sports injury;
 - o Visit a specialist once
 - o Fill a few prescriptions at the pharmacy and a few through mail order.

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

	Cost of Care	CDHP	PPO
Annual Deductible (Individual)		\$3,750	\$1,250
Annual Deductible (Family)		\$7,500	\$3,000
Out-of-Pocket Maximum (Individual)		\$4,500	\$4,000
Out-of-Pocket Maximum (Family)		\$9,000	\$8,000
Annual Medical Expenses:			
Two annual physicals	\$250 x 2	\$0 (covered 100%)	
One primary care doctor visits	\$80 x 1	\$80	\$25 copay
Two 31-day, generic retail prescriptions	\$30 x 2	\$60	\$14 (\$7 copay x 2)
One urgent care visit	\$250 x 1	\$250	\$50 \$50 copay
One X-ray	\$500 x 1	\$500	\$500
One specialist doctor visits	\$110 x 1	\$110	\$40 \$40 copay
Two 90-day, generic mail order prescriptions	\$50 x 2	\$100	\$28 (\$14 copay x 2)
Total expenses	\$1,710	\$1,100	\$657
Carl's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$1,376	\$3,801
Deductible amount paid by Carl		\$1,100	\$500
Other costs paid by Carl*		\$0	\$157
Annual company-provided contributions		(\$1,500)	N/A
Carl's Total Cost		\$976	\$4,458

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

To calculate Carl'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!**