Example 7 – Employee with Child(ren) with Few Medical Expenses

This example shows you how much a person with a child(ren) 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 Robert

- Robert has one son and they are both in good health. Robert doesn'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:
  - Get their annual physicals and the kids get their immunizations;
  - Take his one to the primary care doctor several times during the year;
  - Go to the urgent care once;
  - have two rounds of lab work; and,
  - Fill several prescriptions at the pharmacy and a few through mail order.

The amounts shown are estimates for Robert's care under the plans. The numbers are for illustration purposes only. Please note their annual physicals and his son's immunizations were routine preventive care. So the plan covered them at 100% (shown as $0 on the chart). All other amounts show Robert'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 *($25 copay)*
One 31-day, generic preventive retail prescriptions	*$30 x 1*	$30	$7 *($7 copay)*
One urgent care visit	*$250 x 1*	$250	$50 *($50 copay)*
Three primary care doctor visits	*$80 x 3*	$240	$75 *($25 copay x 3)*
Two rounds of lab work	*$500 x 2*	$1,000	$500
Three 31-day, generic retail prescription with one 90-day refill by mail order	$30 x 3 + $50 x 2	$190	$49 ($7 copay x 3, $14 copay x 2)
Total expenses	***$2,240***	**$1,790**	**$896**
Robert's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		$1,224	$3,421
Deductible amount paid by Robert		$1,790	$500
Other costs paid by Robert*		$0	$396
Annual Company-provided Contributions		($2,000)	N/A
Robert's Total Cost		**$1,014**	**$4,317**

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

To calculate Robert'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!**

Plus in the CDHP, Robert will have funds left over in his HSA account to use on eligible medical expenses the following year.