Example 8 – Employee with Child(ren) with More Medical Expenses

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

- Rebecca has two kids. She and her kids are in good health and she doesn't use tobacco.
- They get their annual physicals, use in-network doctors, but this is a bumpy year filled with injuries and medications.
- Let's pretend that they will need to:
  - Get their annual physicals and the kids get their immunizations;
  - Visit the specialist doctor twice during the year;
  - Visit the primary care doctor seven times during the year;
  - Go to the urgent care three times and get an X-ray each time
  - Have an out-patient surgery and six physical therapy visits due to one of the injuries; and,
  - Fill twenty generic prescriptions at the pharmacy, six through mail order, and a four Tier 2 brand-name prescription at the pharmacy and refill it five times through mail order.

The amounts shown are estimates for Rebecca's care under the plans. The numbers are for illustration purposes only. Please note their annual physicals and the kids' immunizations were routine preventive care. So the plan covered them at 100% (shown as $0 on the chart). All other amounts show Rebecca'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:			
Four annual physicals	*$250 x 3*	$0 (covered 100%)	
Six primary care doctor visits (Three for each kid)	*$80 x 6*	$480	$150 *($25 copay x 6)*
Six 31-day, generic retail prescriptions (Three for each kid)	*$30 x 6*	$180	$42 *($7 copay x 6)*
Two primary care doctor visits (Rebecca)	*$80 x 2*	$160	$50 *($25 copay x 2)*
One 90-day, generic mail order prescription (Rebecca)	*$50*	$50	$14 *($14 copay)*
One ER visit (Rebecca's son)	*$800*	$800	$800
One X-ray (Rebecca's son)	*$500*	$500	$550 **Individual Deductible Met** ($450 to meet the individual deductible, 20% coinsurance on remaining $50)
One out-patient surgery (Rebecca's son)	*$6,000*	$2,508 **Individual Deductible Met** ($2,120 to meet the individual deductible, 10% coinsurance on remaining $3,880)	$1,200 *(20% coinsurance)*
One ER visit (Rebecca)	*$800*	$800	$800
One MRI and one CT scan (Rebecca)	*$1,100 x 2*	$2,200	$3,950 **Individual Deductible Met** ($450 to meet the individual deductible, 20% coinsurance on remaining $1,750)
Four 31-day, generic retail prescriptions	*$30 x 4*	$120	$7 *($7 copay)*
Total expenses	***$12,040***	**$7,798**	**$7,563**
Rebecca's Paycheck & Out-of-Pocket Costs:			

	Cost of Care	CDHP	PPO
Annual paycheck deductions		$1,224	$3,421
Deductible amount paid by Rebecca		$7,500	$2,500
Other costs paid by Rebecca*		$298	$5,063
Annual Company-provided Contributions		($2,000)	N/A
Rebecca's Total Cost		**$7,022**	**$10,984**

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

To calculate Rebecca'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!