Example 12 – Family with Major Medical Expenses

This example shows you how much a person with a family 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 Ellen

- Ellen and her husband have two kids. The family gets their annual physicals and use in-network doctors.
- She and her husband don't use tobacco, but this is a rocky year due to a pregnancy complications and surgeries.
- Let's pretend that they will need to:
  - Get their annual physicals and the kids get their immunizations;
  - Go to the primary care doctor ten times and the specialist 24 times;
  - Go to the specialist eight times;
  - Have an in-patient C-section surgery and hospital stay for Ellen;
  - Have surgery and NICU stay for the baby; and,
  - Fill some prescriptions at retail pharmacies and some through mail order.

The amounts shown are estimates for Ellen's care under the plans. The numbers are for illustration purposes only. Please note everyone's annual physicals and the kid's immunizations were routine preventive care. So the plan covered them at 100% (shown as $0 on the chart). All other amounts show Ellen'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 4*	$0 (covered 100%)	
Ten primary care doctor visits (Four visits for each kid and two for her husband)	*$80 x 10*	$800	$250 *($25 copay x 10)*
Eight 31-day generic retail prescriptions (Three for each kid and two for her husband)	*$30 x 8*	$240	$56 *($7 copay x 8)*
Four 31-day generic mail order prescriptions (One for each kid and two for her husband)	*$30 x 4*	$120	$56 *($14 copay x 4)*
One C-sestion surgery and hospital stay (Ellen)	*$31,000*	$4,500 **Individual Deductible Met & Out-of-Pocket Max Met** *($3,750 toward individual deductible, 10% coinsurance on remaining balance up to individual out-of-pocket max)*	$4,000 **Individual Deductible Met & Out-of-Pocket Max Met** *($1,250 toward individual deductible, 20% coinsurance on remaining balance up to individual out-of-pocket max)*
One in-patient surgery (Ellen's baby)	*$17,000*	$2,375 **Family Deductible Met** *($750 toward family deductible, 10% coinsurance on remaining balance)*	$3,638 **Family Deductible Met & Out-of-Pocket Max Met** *($1,250 toward individual deductible, 20% coinsurance on remaining balance up to individual out-of-pocket max)*
One NICU stay (Ellen's baby)	*$32,000*	$965 **Family Out-of-Pocket Max Met** *(10% coinsurance up to family out-of-pocket max*	N/A
Eight specialist visits (Ellen's baby)	*$110 x 8*	N/A	N/A
Total expenses	***$83,120***	**$9,000**	**$8,000**
Ellen's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		$2,217	$5,372
Deductible amount paid by Ellen		$7,500	$5,600
Other costs paid by Ellen*		$1,500	$2,400
Annual Company-provided Contributions		($2,000)	N/A
Ellen's Total Cost		**$9,217**	**$13,372**

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

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