Example 5 – Married Employee with More Medical Expenses

This example shows you how much a married person 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 Doug

- Doug is married. He and his wife don't use tobacco and they get their annual physicals.
- They use in-network doctors for their care. Midyear, Doug's wife is diagnosed with a health condition.
- Let's pretend that they will need to:
  - Get their annual physicals;
  - Go to the primary care doctor four times during the year;
  - Visit a specialist ten times;
  - Visit a physical therapits three times before surgery and an additional seven times after;
  - Have hip replacement surgery and four day hospitla stay; and,
  - Fill some generic prescriptions at the pharmacy and four more generica prescriptions through home delivery.

The amounts shown are estimates for Doug's care under the plans. The numbers are for illustration purposes only. Please note their annual physicals were routine preventive care. So the plan covered their physicals at 100% (shown as $0 on the chart). All other amounts show Doug'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%)	
Two primary care doctor visits (Doug)	*$80 x 2*	$160	$50 ($25 copay x 2)
One round of lab work (Doug)	*$500*	$500	$500
Two 31-day, generic retail prescriptions (Doug)	*$30 x 2*	$60	$7 ($7 copay x 2)
Four primary care doctor visits (Doug's wife)	*$80 x 4*	$320	$100 ($25 copay x 4)
Ten specialist doctor visits (Doug's wife)	*$110 x 10*	$1,100	$400 ($40 copay x 10)
One round of lab work (Doug's wife)	*$500*	$500	$500
Six days in the hospital (Doug's wife)	$12,000	$2,580 **Individudal Deductible Met & OOP Met** ($1,830 to meet the individual deductible, 10% coinsurance on balance to up Individual OOP)	$3,000 **Individudal Deductible Met & OOP Met** ($750 to meet the individual deductible, 20% coinsurance on balance to up Individual OOP)
Four 31-day generic mail order prescriptions (Doug's wife)	$50 x 4	N/A	N/A
Total expenses	***$15,940***	**$5,220**	**$4,557**
Doug's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		$1,667	$4,561
Deductible amount paid by Doug		$4,470	$1,750
Other costs paid by Doug*		$750	$2,807
Annual Company-provided Contributions		($1,500)	N/A
Doug's Total Cost		**$5,387**	**$9,118**

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

To calculate Doug'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!**