

Example 6 – Married Employee with Major Medical Expenses

This example shows you how much a married person 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 Lisa

- ☐ Lisa is married. She and her husband don't use tobacco and they get their annual physicals. They use in-network doctors for their care.
- ☐ Lisa's hip pain becomes unbearable, so her doctor suggests a hip replacement and her husband is in an accident that sends him to the ER and he ends up having surgery.
 - Let's pretend that they will need to:
 - o Get their annual physicals;
 - o Go to the primary care doctor four times during the year;
 - o Go to the specialist four times before surgery and six more times after surgery;
 - o Visit a physical therapist three times
 - o Visit the hospital for in-patient surgery for a hip replacement;
 - o Fill some generic and brand-name prescriptions at the pharmacy and some generic prescriptions through home delivery.

The amounts shown are estimates for Lisa's care under the plans. The numbers are for illustration purposes only. Please note Lisa and her husband'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 Lisa'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 visit (Lisa's husband)	\$80 x 1	\$80	\$100 (\$25 copay x 4)
One preventive generic mail order prescription - filled four times (Lisa's husband)	\$50 x 4	\$200	\$56 (\$14 copay x 4)
Three primary care doctor visits (Lisa)	\$80 x 3	\$240	\$75 (\$25 copay x 3)
One generic retail prescriptions (Lisa)	\$30 x 1	\$30	\$7 \$7 copay
Four specialist doctor visits (Lisa)	\$110 x 4	\$440	\$160 (\$40 copay x 4)
One generic retail prescriptions (Lisa)	\$30 x 1	\$30	\$7 \$7 copay
Three physical therapy visits (Lisa)	\$80 x 3	\$240	\$240
In-patient surgery & hospital stay (Lisa)	\$30,000	\$3,520 <i>Individual Deductible Met</i> <i>Individual Out-of-Pocket Max Met</i> (\$2,770 toward individual deductible , 10% coinsurance to max out-of-pocket)	\$3,511 <i>Individual Deductible Met</i> <i>Individual Out-of-Pocket Max Met</i> (\$1,010 toward family deductible , 20% coinsurance to max out-of-pocket)
Six specialist doctor visits (Lisa)	\$110 x 6	N/A	N/A
Four generic retail prescriptions (Lisa)	\$30 x 4	N/A	N/A
Total expenses	\$32,540	\$4,780	\$4,156

	Cost of Care	CDHP	PPO
Lisa's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$1,667	\$4,561
Deductible amount paid by Lisa		\$4,030	\$1,250
Other costs paid by Lisa*		\$750	\$2,906
Annual Company-provided Contributions		(\$1,500)	N/A
Lisa's Total Cost		\$4,947	\$8,717

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

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