Example 10 – Family with Few Medical Expenses

This example shows you how much a family 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 Chris

- Chris and his wife have two kids. The family is generally in good health and he and his wife don't use tobacco.
- They get their annual physicals, use in-network doctors, and except for a few expensive medications, they have a
- Let's pretend that they will need to:
  - Get their annual physicals and the kids get their immunizations;
  - Go to the primary care doctor eight times during the year for allergies and colds; and,
  - Fill quite a few prescriptions at the pharmacy and several through mail order.

The amounts shown are estimates for Chris'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 Chris'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%)	
Eight primary care doctor visits (Two for each family member)	*$80 x 8*	$640	$200 *($25 copay x 8)*
Six 31-day, generic retail prescriptions & two 90-day, generic mail order prescriptions (Two for each family member)	$30 x 6 + $50 x 2	$180 + $100	$42 *($7 copay x 6)* + $28 *($14 copay x 2)*
One primary care doctor visits (Chris)	*$80 x 1*	$80	$25 *($25 copay)*
One MRI (Chris)	*$1,110 x 1*	$1,110	$1,110
Five specialist visits (Chris' son)	*$110 x 5*	$550	$200 *($40 copay x 5)*
One round of lab work (Chris' son)	*$525 x 1*	$525	$525
Nine generic allergy shots (Chris' son)	*$35 x 9*	$315	$315
Total expenses	***$4,750***	**$3,500**	**$2,445**
Chris's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		$2,574	$6,177
Deductible amount paid by Chris		$3,500	$1,950
Other costs paid by Chris*		$0	$495
Annual Company-provided Contributions		($2,000)	N/A
Chris's Total Cost		**$4,074**	**$8,622**

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

To calculate Chris'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!**