Example 11 – Family with More Medical Expenses

This example shows you how much a family 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 Linda

- Linda and her husband have three kids. She and her husband don't use tobacco.
- They get their annual physicals and use in-network doctors.
- Linda has an ongoing health condition, the family all get sick several times, and her daughter breaks her arm on the playground.
- Let's pretend that they will need to:
  - Get their annual physicals and the kids get their immunizations;
  - Visit the primary care doctor twelve times during the year;
  - Visit the specialist doctor fifteen times during the year;
  - One round of lab work;
  - Visit the urgent care three times;
  - Visit the ER and have X-rays twice;
  - Have an out-patient surgery;
  - Fill quite a few different generic prescriptions at retail pharmacies and mail order.

The amounts shown are estimates for Linda'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 Linda'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:			
Five annual physicals	*$250 x 5*	$0 (covered 100%)	
Two specialist doctor visits (Linda's husband)	*$110 x 2*	$220	$200 *($40 copay x 5)*
One round of lab work (Linda's husband)	*$525*	$525	$525
Allergy shots (Linda's husband)	*$35 x 9*	$315	$315
Four 90-day, generic mail order prescription (Linda's husband)	*$50 x 4*	$200	$56 *($14 copay x 4)*
Eight primary care doctor visits (two for two of the kids and four for the other)	*$80 x 8*	$640	$200 *($25 copay x 8)*
Eight 31-day generic precriptions (two for each of the kids)	*$30 x 6*	$180	$42 *($7 copay x 6)*
Four 90-day, generic mail order prescription (one for two of the kids and two for the other)	*$50 x 4*	$200	$56 *($14 copay x 4)*
Three urgent care visits (one for each kid)	*$180 x 3*	$540	$150 *($50 copay x 3)*
Four primary care doctor visits (one for two of the kids and two for the other)	*$80 x 4*	$320	$100 *($25 copay x 4)*
Two ER visits (one each for two of the kids)	*$800 x 2*	$1,600	$1,600
Two X-rays (one each for two of the kids)	*$500 x 2*	$1,000	$648 **Family Deductible Met** *($560 to satisfy deductible, 20% coinsurance on remaining $440)*
Two rounds of lab work (one each for two of the kids)	*$1,100 x 2*	$2,024 **Family Deductible Met** *($1,760 to satisfy deductible, 10% coinsurance on remaining $440)*	$440
Thirteen specialits visits	*$110 x #*	$143	$286

(Seven for one kid and 8 for another)		(10% coinsurance)	(20% coinsurance)
	Cost of Care	**CDHP**	**PPO**
Two out-patient surgeries (one for each for two of the kids)	*$6,000 x 2*	$1,093 **Family Out-of-Pocket Max Met** *(10% coinsurance up to OOP Max)*	$3,382 **Family Out-of-Pocket Max Met** *(20% coinsurance up to OOP Max)*
Six physical therapy visits (three for each for two of the kids)	*$90 x 6*	N/A	N/A
Total expenses	***$23,280***	**$9,000**	**$8,000**
Linda's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		$2,574	$6,177
Deductible amount paid by Linda		$7,500	$5,600
Other costs paid by Linda*		$1,500	$2,400
Annual Company-provided Contributions		($2,000)	N/a
Linda's Total Cost		**$9,574**	**$14,177**

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

To calculate Linda'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!**