

Example 4 – Married Employee with Few Medical Expenses

This example shows you how much a married person 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 Maria

- Maria is married. She and her husband are in good health and don't use tobacco.
- They get their annual physicals, use in-network doctors, and have a pretty smooth year.
- Let's pretend that they will need to:
 - o Get their annual physicals;
 - o Go to the primary care doctor once during the year;
 - o Visit an urgent care clinic and get an X-ray for a sports injury;
 - o Visit a specialist four times, twice during injury recover and twice for allergies; and,
 - o Fill a few prescriptions at the pharmacy and a few through mail order.

The amounts shown are estimates for Maria's care under the plans. The numbers are for illustration purposes only. Please note Maria 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 Maria's out-of-pocket costs and assume they used in-network providers.

	Cost of Care	Value Medical	HDHP with HSA	Basic PPO	Premium PPO
Annual Deductible (Individual)		\$5,000	\$2,400	\$1,200	\$600
Annual Deductible (Family)		\$10,000	\$4,800	\$2,400	\$1,200
Out-of-Pocket Maximum (Individual)		\$8,150	\$6,000	\$4,000	\$3,000
Out-of-Pocket Maximum (Family)		\$16,300	\$12,000	\$8,000	\$6,000
Annual Medical Expenses:					
Two annual physicals	\$80 x 2	\$0 (covered 100%)			
One primary care doctor visits	\$100 x 1	\$30 copay	\$100	\$30 copay	\$30 copay
Two generic retail prescriptions	\$20 x 2	\$20 (\$10 min copay x 2)	\$40	\$20 (\$10 min copay x 2)	\$40
One urgent care visit	\$90 x 1	\$50 copay	\$90	\$50 copay	\$50 copay
One X-ray	\$150 x 1	\$150	\$150	\$150	\$150
Four specialist doctor visits	\$140 x 4	\$200 (\$50 copay x 4)	\$560	\$200 (\$50 copay x 4)	\$200 (\$50 copay x 4)
Two generic mail order prescriptions	\$85 x 2	\$50 (\$25 min copay x 2)	\$170	\$50 (\$25 min copay x 2)	\$170
Total expenses	\$1,270	\$500	\$1,110	\$500	\$640
Maria's Paycheck & Out-of-Pocket Costs:					
Annual paycheck deductions		\$1,188	\$3,900	\$4,548	\$5,712
Deductible amount paid by Maria		\$150	\$1,110	\$500	\$150
Other costs paid by Maria*		\$350	\$0	\$0	\$490
Annual Company-provided Contributions		N/A	(\$750)	N/A	N/A
Maria's Total Cost		\$1,688	\$4,260	\$5,048	\$6,352

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

To calculate Maria's total cost, we added her annual out-of-pocket expenses (deductible + coinsurance and/or copayments + paycheck deductions) and subtracted her Company-provided HSA contribution. **The Value Medical plan wins.**

If Maria chose the HSA, she could also benefit from making pre-tax contributions to her HSA account to use now and in the future.

	HSA Basic
Saving up to the IRS HSA individual contribution limit	\$8,750

Once her HSA balance reaches \$1,000, she can even choose to grow her HSA dollars by investing them, just like a 401(k). This way, she has more money to cover medical expenses down the road when she needs them, like in retirement.

Remember, this is an example, your actual costs may vary.