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 Hannah

- Hannah is married. She and her husband don't use tobacco and they get their annual physicals.
- They use in-network doctors for their care. Midyear, Hannah's husband is diagnosed with a health condition.
- Let's pretend that they will need to:
  - Get their annual physicals;
  - Go to the primary care doctor once during the year;
  - Get one round of lab work;
  - Visit the hospital for two days due to an illness; and,
  - Fill some generic and brand formulary prescriptions at the pharmacy and some generic prescriptions through home delivery.

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

	Cost of Care	Value Medical	HDHP with HSA	Basic PPO	Preimum 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%)			
Eight generic mail order prescriptions - filled four times (Hannah and her husband)	$85 x *8*	$200 ($25 min x 8)	$680	$200 ($25 min x 8)	$680
One primary care doctor visit (Hannah's husband)	$100 x *1*	$30 copay	$100	$30 copay	$30 copay
One round of lab work (Hannah's husband)	$50 x *1*	$50	$50	$50	$50
One generic retail prescriptions & two formulary retail prescriptions (Hannah's husband)	$20 x *1* + $275 x *2*	$10 ($10 min copay x 1) + $165 (30% copay x 2)	$570	$10 ($10 min copay x 1) + $165 (30% copay x 2)	$20 + $226 **Individual Deductible Met** $190 toward deductible, 10%
One primary care doctor visit (Hannah)	$100 x *1*	$30 copay	$100	$30 copay	$30 copay
Two generic retail prescriptions (Hannah)	$20 x *2*	$20 ($10 min copay x 2)	$40	$20 ($10 min copay x 2)	$4 10% coinsurance
One urgent care visit (Hannah)	$90 x *1*	$50 copay	$90	$50 copay	$50 copay
One generic retail prescriptions (Hannah)	$20 x *1*	$10 ($10 min copay x 1)	$40	$10 ($10 min copay x 1)	$2 10% coinsurance
Two day hospital stay (Hannah's husband)	*$6,000*	$5,160 **Individual Deductible Met** *($4,950 toward* ***individual deductible,*** *20% coinsurance on remaining $1,050)*	$4,131 **Deductible Met** *($3,330 toward deductible, 30% coinsurance on remaining $2,670)*	$2,120 **Individual Deductible Met** *($1,150 toward deductible, 20% coinsurance on remaining $4,850)*	$534 **Individual Out-of-Pocket Max Met**
Two generic mail order prescriptions-filled twice (Hannah's husband)	$85 x *4*	$100 ($25 min copay x 4)	$100 ($25 min copay x 4)	$100 ($25 min copay x 4)	N/A
Total expenses	***$8,130***	**$5,825**	**$5,901**	**$2,620**	**$1,626**

	Cost of Care	Value Medical	HDHP with HSA	Basic PPO	Preimum PPO
Hannah's Paycheck & Out-of-Pocket Costs:					
Annual paycheck deductions		$1,188	$3,900	$4,548	$5,712
Deductible amount paid by Hannah		$5,000	$5,000	$2,195	$940
Other costs paid by Hannah*		$825	$901	$425	$686
Annual Company-provided Contributions		N/A	($750)	N/A	N/A
Hannah's Total Cost		**$7,013**	**$9,051**	**$7,168**	**$7,338**

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

To calculate Maia'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 Hannah 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.