

## 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 Gabrielle

- Gabrielle is married. She and her husband don't use tobacco and they get their annual physicals. They use in-network doctors for their care.
- Gabrielle's hip has been bothering her for years. Her pain becomes unbearable, so her doctor suggests a hip replacement.
- Let's pretend that they will need to:
  - Get their annual physicals;
  - Go to the primary care doctor four times during the year;
  - Go to the specialist four times before surgery and two more times after surgery;
  - Visit a physical therapist eight times before surgery and eight more times after surgery;
  - Visit the hospital for in-patient surgery for a hip replacement;
  - Fill some generic and brand formulary prescriptions at the pharmacy and some generic prescriptions through home delivery.

The amounts shown are estimates for Gabrielle's care under the plans. The numbers are for illustration purposes only. Please note Gabrielle 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 Gabrielle'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                                                                                                                                                        |
| <b>Annual Medical Expenses:</b>                                                |              |                                                                                                                                                               |                                                                                                               |                                                                                                                                                                  |                                                                                                                                                                |
| Two annual physicals                                                           | \$80 x 2     | \$0 (covered 100%)                                                                                                                                            |                                                                                                               |                                                                                                                                                                  |                                                                                                                                                                |
| One primary care doctor visit (Gabrielle's husband)                            | \$100 x 1    | \$30<br>copay                                                                                                                                                 | \$100                                                                                                         | \$30<br>copay                                                                                                                                                    | \$30<br>copay                                                                                                                                                  |
| One generic mail order prescriptions - filled four times (Gabrielle's husband) | \$85 x 4     | \$100<br>(\$25 min x 4)                                                                                                                                       | \$340                                                                                                         | \$100<br>(\$25 min x 4)                                                                                                                                          | \$340                                                                                                                                                          |
| Three primary care doctor visits (Gabrielle)                                   | \$100 x 3    | \$90<br>(\$30 copay x 3)                                                                                                                                      | \$300                                                                                                         | \$90<br>(\$30 copay x 3)                                                                                                                                         | \$90<br>(\$30 copay x 3)                                                                                                                                       |
| Two generic retail prescriptions (Gabrielle)                                   | \$20 x 2     | \$20<br>(\$10 copay x 2)                                                                                                                                      | \$40                                                                                                          | \$20<br>(\$10 copay x 2)                                                                                                                                         | \$40                                                                                                                                                           |
| One visit to the ER (Gabrielle's husband)                                      | \$2,000 x 1  | \$200<br>copay                                                                                                                                                | \$1,960<br><b>Individual Deductible Met</b><br>(\$1,960 toward deductible, 20% coinsurance on remaining \$60) | \$200<br>copay                                                                                                                                                   | \$300<br>copay                                                                                                                                                 |
| In-patient surgery (Gabrielle's husband)                                       | \$20,000     | \$7,820<br><b>Individual Deductible &amp; Out-of-Pocket Max Met</b><br>(\$5,000 toward individual deductible, 30% coinsurance until reach individual OOP max) | \$3,600<br><b>Individual Out-of-Pocket Max Met</b>                                                            | \$3,670<br><b>Individual Deductible &amp; Out-of-Pocket Max Met</b><br>(\$1,200 toward individual deductible, 20% coinsurance on until reach individual OOP max) | \$2,330<br><b>Individual Deductible &amp; Out-of-Pocket Max Met</b><br>(\$430 toward individual deductible, 10% coinsurance on until reach individual OOP max) |
| Four specialist doctor visits (Gabrielle)                                      | \$140 x 4    | \$200<br>(\$50 copay x 4)                                                                                                                                     | \$112                                                                                                         | \$200<br>(\$50 copay x 4)                                                                                                                                        | \$200<br>(\$50 copay x 4)                                                                                                                                      |
| Two generic retail prescriptions (Gabrielle)                                   | \$20 x 2     | \$20<br>(\$10 min x 2)                                                                                                                                        | \$20<br>(\$10 min x 2)                                                                                        | \$20<br>(\$10 min x 2)                                                                                                                                           | \$40                                                                                                                                                           |
| Eight physical therapy visits (Gabrielle)                                      | \$80 x 8     | \$400<br>(\$50 copay x 8)                                                                                                                                     | \$128                                                                                                         | \$400<br>(\$50 copay x 8)                                                                                                                                        | \$400<br>(\$50 copay x 8)                                                                                                                                      |
| Out-patient surgery (Gabrielle)                                                | \$10,000     | \$6,500<br><b>Family Deductible Max Met</b><br>(\$5,000 toward family deductible, 30% coinsurance up to family OOP max)                                       | \$2,000                                                                                                       | \$3,270<br><b>Family Deductible &amp; Out-of-Pocket Max Met</b><br>(\$1,200 toward family deductible, 20% coinsurance to family OOP max)                         | \$1,486<br><b>Family Deductible Max Met</b><br>(\$540 toward family deductible, 10% coinsurance on \$9,460)                                                    |

|                                                        | Cost of Care    | Value Medical             | HDHP with HSA   | Basic PPO       | Preimum PPO               |
|--------------------------------------------------------|-----------------|---------------------------|-----------------|-----------------|---------------------------|
| Two specialist doctor visits (Gabrielle)               | \$140 x 2       | \$100<br>(\$50 copay x 2) | \$84            | N/A             | \$100<br>(\$50 copay x 2) |
| Eight physical therapy visits (Gabrielle)              | \$80 x 8        | \$400<br>(\$50 copay x 8) | \$192           | N/A             | \$400<br>(\$50 copay x 8) |
| <b>Total expenses</b>                                  | <b>\$35,100</b> | <b>\$15,880</b>           | <b>\$8,876</b>  | <b>\$8,000</b>  | <b>\$5,756</b>            |
| <b>Gabrielle's Paycheck &amp; Out-of-Pocket Costs:</b> |                 |                           |                 |                 |                           |
| Annual paycheck deductions                             |                 | \$1,188                   | \$3,900         | \$4,548         | \$5,712                   |
| Deductible amount paid by Gabrielle                    |                 | \$16,300                  | \$5,000         | \$960           | \$1,800                   |
| Other costs paid by Gabrielle*                         |                 | (\$420)                   | \$3,876         | \$7,040         | \$3,956                   |
| Annual Company-provided Contributions                  |                 | N/A                       | (\$750)         | N/A             | N/A                       |
| <b>Gabrielle's Total Cost</b>                          |                 | <b>\$17,068</b>           | <b>\$12,026</b> | <b>\$12,548</b> | <b>\$11,468</b>           |

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

To calculate Gabrielle'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 Premium PPO plan wins.**

If Gabrielle 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.