Example 9 – Employee with Child(ren) with Major Medical Expenses

This example shows you how much a person with a child(ren) 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 Rosa

- Rosa has three kids. She and her kids are typically in good health and she doesn't use tobacco.
- They get their annual physicals, use in-network doctors, but they develop some illness and have a pretty tough year.
- Let's pretend that they will need to:
    - Get their annual physicals and the kids get their immunizations;
    - Visit the primary care doctor six times;
    - Visit the specialist doctor twelve times;
    - Go to the ER once and be admitted to the hospital for two days of observation;
    - Have one in-patient surgery with a one day stay in the ICU;
    - Visit the physical therapist twelve times during recovery;
    - Fill fifteen generic prescriptions and two brand formulary prescriptions at the pharmacy; and,
    - Fill four generic prescriptions and four brand formulary prescriptions through mail order.

The amounts shown are estimates for Rosa'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 Rosa'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:					
Four annual physicals	*$80 x 4*	$0 (covered 100%)			
Six primary care doctor visit (Two for each kid)	*$100 x 6*	$180 ($30 copay x 6)	$600	$180 ($30 copay x 6)	$180 ($30 copay x 6)
Fifteen generic retail prescriptions (Five for each kid)	*$20 x 15*	$150 ($10 min copay x 15)	$300	$150 ($10 min copay x 15)	$300
Twelve specialist doctor visits (Rosa)	*$140 x 12*	$600 ($50 copay x 12)	$1,680	$600 ($50 copay x 12)	$600 ($50 copay x 12)
One generic mail order prescription plus three refills (Rosa)	$85 x 4	$100 ($25 min copay x 4)	$340	$100 ($25 min copay x 4)	$340
One preferred brand mail order prescription plus three refills (Rosa)	$340 x 4	$408 (30% copay x 4)	$1,104 **Individual Deductible Met** *($380 toward deductible,*	$408 (30% copay x 4)	$370 **Individual Deductible Met** *($260 toward deductible, 10% on remaining $1,100)*
One ER visit (Rosa's daughter)	*$2,000*	$200 ($200 copay)	$1,600 **Family Deductible Met** *($1,500 toward family deductible, 20% coinsurance on remaining $500)*	$200 ($200 copay)	$300 ($300 copay)

	Cost of Care	Value Medical	HDHP with HSA	Basic PPO	Preimum PPO
Two day hospital stay (Rosa's daughter)	*$3,000 x 2*	$5,200 **Individual Dedudctible Met** *($5,000 toward individual deductible, 20% cosinurane on remainging $1,000)*	$1,200	$3,200 **Individual Dedudctible Met** *($1,200 toward individual deductible, $1,300 copay, 20% cosinurane on remainging $3,500)*	$870 **Family Dedudctible Met** *($300 to meet family deductible, 10% coinsurance on remaining $5,700)*
One in-patient surgery (Rosa's daughter)	*$20,000*	$2,690 **Individual Out-of-Pocket Max Met**	$2,900 **Individual Out-of-Pocket Max Met**	$690 **Individual Out-of-Pocket Max Met**	$1,670 **Individual Out-of-Pocket Max Met**
Twelve physical therapy visits (Rosa's son)	*$80 x 8*	$400 ($50 copay x 8)	$128	$400 ($50 copay x 8)	$400 ($50 copay x 8)
One ER visit (Rosa)	*$2,000*	$200 ($200 copay)	$400	$200 ($200 copay)	$300 ($300 copay)
Two generic retail prescriptions (Rosa)	*$20 x 2*	$20 ($10 min copay x 2)	$20 ($10 min. copay x 2)	$20 ($10 min copay x 2)	$4
	$35,280	**$10,148**	**$10,272**	**$6,148**	**$3,664**
Rosa's Paycheck & Out-of-Pocket Costs:					
Annual paycheck deductions		$516	$1,944	$3,372	$4,020
Deductible amount paid by Rosa		$5,000	$5,000	$2,400	$600
Other costs paid by Rosa*		$5,148	$5,272	$3,748	$3,064
Annual Company-provided Contributions		N/A	($750)	N/A	N/A
Rosa's Total Cost		**$10,664**	**$11,466**	**$9,520**	**$7,684**

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

To calculate Rosa'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 wins.**

If Rosa 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.