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 Patel

- Patel and her husband have two kids. The family is in good health and she and her husband don't use tobacco. doctors.
- They get their annual physicals and use in-network doctors.
- Patel has an ongoing health conditions that requires medication and the kids allergies and have several sports injuries.
- Let's pretend that they will need to:
    - Get their annual physicals and the kids get their immunizations;
    - Visit the primary care doctor ten times during the year;
    - Visit the specialist doctor twice during the year;
    - Visit the urgent care three times for sports injuries and have an X-ray each time;
    - Have an out-patient surgery and six physical therapy visits due to one of the injuries;
    - Fill quite a few different generic prescriptions and four brand formulary prescriptions at the pharmacy; and,
    - Fill six generic and six brand formulary prescriptions through mail order.

The amounts shown are estimates for Patel'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 Patel'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%)			
Two specialist doctor visits (Patel)	*$140 x 2*	$100 ($50 copay x 2)	$280	$100 ($50 copay x 2)	$100 ($50 copay x 2)
Two generic retail prescriptions one preferred brand prescription (Patel)	$20 x 2 + $275 x 1	$20 ($10 min copay x 2) + $120 (30% copay)	$315	$20 ($10 min copay x 2) + $120 (30% copay)	$315
Four generic retail prescriptions & six generic mail order prescriptions (Patel's husband and son)	$20 x 4 + $85 x 6	$40 ($10 min copay x 4) + $150 ($25 min copay x 6)	$590	$40 ($10 min copay x 4) + $150 ($25 min copay x 6)	$590
10 primary care doctor visits (Two each for Patel and her husband and three each for both of the kids)	*$100 x 10*	$300 ($30 copay x 10)	$1,000	$300 ($30 copay x 10)	$300 ($30 copay x 10)
Twenty-two generic retail prescriptions (Five each for Patel and her husband and six each for both of the kids)	*$20 x 22*	$220 ($10 min copay x 22)	$440	$220 ($10 min copay x 22)	$310 **Family Deductible Met** ($295 to meet family dedicble, 10% coinsuracen on remaining $145)
Three urgent care visits (Patel)	*$90* x 3	$150 ($50 copay x 3)	$270	$150 ($50 copay x 3)	$150 ($50 copay x 3)
Three X-rays (Patel)	*$150* x 3	$450	$450	$450	$45

	Cost of Care	Value Medical	HDHP with HSA	Basic PPO	Preimum PPO
Out-patient surgery (Patel's daughter)	*$5,000*	$5,000 **Individual Deductible Met**	$2,164 **Family Deductible Met** *($1,455 toward **family deductible,** 20% copay on remaining $3,545)*	$1,960 **Individual Deductible Met** *($1,200 toward Individual deductible, 20% coinsurance on remaining $3,800)*	$500
One generic retail prescription (Patel's daughter)	*$20 x 1*	$150 ($10 min copay x 15)	$10 ($10 min copay)	$10 ($10 min copay)	$2
Six physical therapy visits (Patel)	*$80 x 6*	$300 ($50 copay x 6)	$96	$150 ($25 copay x 6)	$150 ($25 copay x 6)
Total expenses	***$9,445***	**$7,000**	**$5,615**	**$3,670**	**$2,462**
Patel's Paycheck & Out-of-Pocket Costs:					
Annual paycheck deductions		$1,620	$5,196	$6,240	$7,404
Deductible amount paid by Patel		$5,450	$5,000	$2,400	$645
Other costs paid by Patel*		$1,550	$615	$1,270	$1,817
Annual Company-provided Contributions		N/A	($1,000)	N/A	N/A
Patel's Total Cost		**$8,620**	**$9,811**	**$9,910**	**$9,866**

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

To calculate Patel'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 Patel 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.