

Example 2 – Single Employee with More Medical Expenses

This example shows you how much a single 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 Anna

- Anna is married, but her husband has medical coverage with his employer. So she will elect Employee Only coverage.
- She is typically in good health, gets her annual physical, uses in-network doctors, and doesn't use tobacco. However, she has a bumpy year.
- Let's pretend that she will need to:
 - o Get her annual physical;
 - o Go to the primary care doctor four times;
 - o Visit a specialist four times;
 - o Get one round of lab work;
 - o Go to the ER once because of her health condition;
 - o Visit the hospital for inpatient surgery;
 - o Visit a physical therapist six times; and,
 - o Fill three generic prescriptions at the pharmacy and two more generic prescriptions through home delivery.

The amounts shown are estimates for Anna's care under the plans. The numbers are for illustration purposes only. Please note Anna's annual physical was routine preventive care. So the plan covered her physical at 100% (shown as \$0 on the chart). Under the HSA Plus and HSA Basic some preventive, generic prescriptions are also covered at 100% (shown as \$0 on the chart). All other amounts show Anna's out-of-pocket costs and assume she used in-network providers.

	Cost of Care	HSA Plus	HSA Basic	PPO
Annual Deductible (Individual)		\$1,750	\$2,800	\$800
Out-of-Pocket Maximum (Individual)		\$3,500	\$5,000	\$4,000
Annual Medical Expenses:				
One annual physical	\$80 x 1	\$0 (covered 100%)		
Four primary care doctor visits	\$100 x 4	\$400	\$400	\$100 <i>(\$25 copay x 4)</i>
Three generic retail prescriptions	\$20 x 3	\$60	\$60	\$30 <i>(\$10 copay x 3)</i>
One visit to the ER	\$1,500	\$1,311 Deductible Met <i>(\$1,290 toward deductible 10% coinsurance on remaining \$210)</i>	\$1,500	\$940 Deductible Met <i>(\$800 toward deductible 20% coinsurance on remaining \$700)</i>
Four specialist care doctor visits	\$140 x 4	\$56 <i>(10% coinsurance)</i>	\$560	\$140 <i>(\$35 copay x 4)</i>
One round of lab work	\$100 x 1	\$10 <i>(10% coinsurance)</i>	\$100	\$20
Two generic mail order prescriptions	\$85 x 2	\$17 <i>(10% coinsurance)</i>	\$170	\$50 <i>(\$25 copay x 2)</i>
In-patient surgery & hospital stay	\$15,000	\$1,500 <i>(10% coinsurance)</i>	\$2,210 Deductible and Out-of-Pocket Max Met <i>(\$10 toward deductible 20% coinsurance of \$2,200 on remaining balance up to OOP max)</i>	\$2,720 Out-of-Pocket Max Met <i>(20% coinsurance of \$2,720 up to out-of-pocket maximum)</i>
Six physical therapy visits	\$80 x 6	\$48 <i>(10% coinsurance)</i>	N/A	N/A
Total expenses	\$18,350	\$3,402	\$5,000	\$4,000
Anna's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		\$960	\$396	\$1,704
Deductible amount paid by Anna		\$1,750	\$2,800	\$800
Other costs paid by Anna*		\$1,652	\$2,200	\$3,200
Annual Company-provided Contributions		(\$400)	(\$150)	N/A
Anna's Total Cost		\$3,962	\$5,246	\$5,704

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

To calculate Anna's total cost, we added her annual out-of-pocket expenses (deductible + coinsurance and/or copayments + annual paycheck deductions) and subtracted her Company-provided HSA contributions. **The HSA Plus wins!**

If Anna chooses either HSA plan, she can increase her pre-tax savings by contributing more to her HSA. See how much she could save by:

	HSA Plus	HSA Basic
Saving the premium difference from the PPO	\$744	\$1,308
Saving up to the IRS HSA individual contribution limit	\$3,200	\$3,450

Once her HSA balance reaches \$500, 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.