

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 pain becomes unbearable, so her doctor suggests a hip replacement and her husband is in an accident that sends him to the ER and he ends up having surgery.
- Let's pretend that they will need to:
 - o Get their annual physicals;
 - o Go to the primary care doctor four times during the year;
 - o Go to the specialist four times before surgery and two more times after surgery;
 - o Visit a physical therapist eight times before surgery and eight more times after surgery;
 - o Visit the hospital for in-patient surgery for a hip replacement;
 - o Fill some generic and brand-name 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). 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 Gabrielle's out-of-pocket costs and assume they used in-network providers.

	Cost of Care	HSA Plus	HSA Basic	PPO
Annual Deductible (Individual)		N/A	\$2,800	\$800
Annual Deductible (Family)		\$3,500	\$5,600	\$1,600
Out-of-Pocket Maximum (Individual)		N/A	\$5,000	\$4,000
Out-of-Pocket Maximum (Family)		\$6,850	\$10,000	\$8,000
Annual Medical Expenses:				
Two annual physicals	\$80 x 2	\$0 (covered 100%)		
One primary care doctor visit (Gabrielle's husband)	\$100 x 1	\$100	\$100	\$25 <i>copay</i>
One preventive generic mail order prescription - filled four times (Gabrielle's husband)	\$85 x 4	\$0	\$0	\$100 <i>(\$25 copay x 4)</i>
Three primary care doctor visits (Gabrielle)	\$100 x 3	\$300	\$300	\$75 <i>(\$25 copay x 3)</i>
Two generic retail prescriptions (Gabrielle)	\$20 x 2	\$40	\$40	\$20 <i>(\$10 copay x 2)</i>
One ER visit (Gabrielle's husband)	\$1,500	\$1,500	\$1,500	\$0 <i>(ER copay waived because he was admitted to the hospital)</i>
One in-patient surgery with one day in the hospital (Gabrielle's husband)	\$20,000 + \$6,000	\$4,004 <i>Deductible Met</i> <i>(\$1,560 toward deductible, 10% coinsurance of \$2,444 on remaining \$24,440)</i>	\$3,400 <i>Individual Deductible Met + Individual Out-of-Pocket Max Met</i> <i>(\$1,200 toward deductible, 20% coinsurance of \$3,700 up to max out-of-pocket)</i>	\$3,875 <i>Individual Deductible Met + Individual Out-of-Pocket Max Met</i> <i>(\$800 toward deductible, 20% coinsurance of \$3,075 up to max out-of-pocket)</i>
Four specialist doctor visits (Gabrielle)	\$140 x 4	\$56 <i>(10% coinsurance)</i>	\$560	\$140 <i>(\$35 copay x 4)</i>
Two generic retail prescriptions (Gabrielle)	\$20 x 2	\$4 <i>(10% coinsurance)</i>	\$40	\$20 <i>(\$10 copay x 2)</i>
Eight physical therapy visits (Gabrielle)	\$80 x 8	\$64 <i>(10% coinsurance)</i>	\$640	\$280 <i>(\$35 copay x 8)</i>
In-patient surgery & hospital stay (Gabrielle)	\$23,000	\$782 <i>Out-of-Pocket Max Met</i>	\$3,420 <i>Family Deductible Met + Family Out-of-Pocket Max Met</i> <i>(\$1,220 toward family deductible, 20% coinsurance of \$2,200 to max out-of-pocket)</i>	\$3,465 <i>Family Deductible Met + Family Out-of-Pocket Max Met</i> <i>(\$800 toward family deductible, 20% coinsurance of \$2,665 to max out-of-pocket)</i>
Two specialist doctor visits (Gabrielle)	\$140 x 2	N/A	N/A	N/A
Eight physical therapy visits (Gabrielle)	\$80 x 8	N/A	N/A	N/A
Total expenses	\$53,600	\$6,850	\$10,000	\$8,000
Gabrielle's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		\$2,004	\$840	\$3,576
Deductible amount paid by Gabrielle		\$3,500	\$5,600	\$800
Other costs paid by Gabrielle*		\$3,350	\$4,400	\$7,200
Annual Company-provided Contributions		(\$800)	(\$300)	N/A
Gabrielle's Total Cost		\$8,054	\$10,540	\$11,576

*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 + annual paycheck deductions) and subtracted his Company-provided HSA contributions. **The HSA Plus wins!**

If Gabrielle 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	\$1,572	\$2,736
Saving up to the IRS HSA individual contribution limit	\$6,400	\$6,900

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.