

Example 8 – Employee with Child(ren) with More Medical Expenses

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

- Nathan has three kids. He and his kids are in good health and he doesn't use tobacco.
- They get their annual physicals, use in-network doctors, but this is a bumpy year filled with injuries and medications.
- Let's pretend that they will need to:
 - Get their annual physicals and the kids get their immunizations;
 - Visit the specialist doctor twice during the year;
 - Visit the primary care doctor seven times during the year;
 - Go to the urgent care three times and get an X-ray each time
 - Have an out-patient surgery and six physical therapy visits due to one of the injuries; and,
 - Fill twenty generic prescriptions at the pharmacy, six through mail order, and a four Tier 2 brand-name prescription at the pharmacy and refill it five times through mail order.

The amounts shown are estimates for Nathan'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). 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 Nathan'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	\$3,400	\$800
Annual Deductible (Family)		\$3,500	\$5,600	\$1,600
Out-of-Pocket Maximum (Individual)		N/A	\$5,000	\$5,000
Out-of-Pocket Maximum (Family)		\$6,850	\$10,000	\$10,000
Annual Medical Expenses:				
Four annual physicals	\$150 x 4	\$0 (covered 100%)		
Two specialist doctor visits (Nathan)	\$250 x 2	\$500	\$500	\$100 (50% copay x 2)
One Tier 2 brand-name retail prescription & refilled three times by mail order (Nathan)	\$275 x 1 + \$340 x 3	\$1,295	\$1,295	\$83 (30% copay) + \$306 (30% copay x 3)
One primary care doctor visit (Nathan's daughter)	\$150 x 1	\$150	\$150	\$40 (40% copay x 1)
One generic preventive mail order prescription (Nathan's daughter)	\$85 x 1	\$0	\$0	\$30 (30% copay x 1)
Six primary care doctor visits (Two for each kid)	\$150 x 6	\$900	\$900	\$240 (40% copay x 6)
Fifteen generic retail prescriptions (Five for each kid)	\$20 x 15	\$300	\$300	\$225 (15% copay x 15)
Three urgent care visits (One for each kid)	\$200 x 3	\$380 Deductible Met (35% toward Deductible, 10% coinsurance of \$25 on remaining \$245)	\$600	\$150 (50% copay x 3)
Three X-rays (One for each kid)	\$150 x 3	\$45 (10% coinsurance)	\$450	\$450
Out-patient surgery (Nathan's son)	\$7,500	\$750 (10% coinsurance)	\$2,624 Family Deductible Met (1,405 toward Family Deductible, 20% coinsurance of \$1,219 on remaining \$6,095)	\$2,020 Individual Deductible Met (650 toward Individual Deductible, 20% coinsurance of \$1,370 on remaining \$6,850)
Three generic retail prescriptions + two refills for one of them (Nathan's son)	\$20 x 5	\$10 (10% coinsurance)	\$20 (20% coinsurance)	\$75 (15% copay x 5)
Six physical therapy visits (Nathan's son)	\$150 x 6	\$90 (10% coinsurance)	\$180 (20% coinsurance)	\$180 (20% coinsurance)
Total expenses	\$13,380	\$4,420	\$7,019	\$3,899
Nathan's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		\$2,412	\$996	\$4,080
Deductible amount paid by Nathan		\$3,500	\$5,600	\$1,100
Other costs paid by Nathan*		\$920	\$1,419	\$2,799
Annual Company-provided Contributions		(\$800)	(\$300)	N/A
Nathan's Total Cost		\$6,032	\$7,715	\$7,979

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

To calculate Nathan's total cost, we added his 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 Nathan chooses either HSA plan, he can increase his pre-tax savings by contributing more to his HSA. See how much he could save by:

	HSA Plus	HSA Basic
Saving the premium difference from the PPO	\$1,668	\$3,084
Saving up to the IRS HSA individual contribution limit	\$7,950	\$8,450

Once his HSA balance reaches \$500, he can even choose to grow his HSA dollars by investing them, just like a 401(k). This way, he has more money to cover medical expenses down the road when he needs them, like in retirement.