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. She and her husband don't use tobacco.
- They get their annual physicals and use in-network doctors.
- Patel has an ongoing health condition, the family all get sick several times, and her daughter breaks her arm on the playground.
- Let's pretend that they will need to:
  - Get their annual physicals and the kids get their immunizations;
  - Visit the primary care doctor twelve times during the year;
  - Visit the specialist doctor twice during the year;
  - Visit the urgent care three times and have an X-ray each time;
  - Have an out-patient surgery;
  - Six physical therapy visits;
  - Fill quite a few different generic prescriptions and one Tier 2 brand-name prescriptions at the pharmacy; and,

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). 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 Patel'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 (Patel)	*$250 x 2*	$500	$500	$100 *($50 copay x 2)*
Two generic prescriptions filled twice at the pharmacy and one Tier 2 brand-name retail prescriptions (Patel)	$20 x 4 + $275 x 1	$80 + $275	$80 + $275	$60 *($15 copay x 4)* + $83 *(30% copay x 1)*
Four generic preventive retail prescriptions (Patel's husband and son, two each)	$20 x 4	$0	$0	$60 *($15 copay x 4)*
Six generic mail order prescriptions (Patel's husband and son, three each)	$85 x 6	$510	$510	$180 *($30 copay x 6)*
Twelve primary care doctor visits (three visits for each family member)	*$150 x 12*	$1,800	$1,800	$480 *($40 copay x 12)*
Twenty-four generic preventive retail prescriptions (six for each family member)	*$20 x 24*	$0	$0	$360 *($15 copay x 24)*
Three urgent care visits (Patel)	*$200 x 3*	$362 **Deductible Met** *($335 toward **Deductible**, 10% coinsurance of $27 on remaining $265)*	$600	$150 *($50 copay x 3)*
Three X-rays (Patel)	*$150 x 3*	$45 *(10% coinsurance)*	$450	$450
Out-patient surgery (Patel's daughter)	*$7,500*	$750 *(10% coinsurance)*	$2,608 **Family Deductible Met** *($1385 toward **Family Deductible**, 20% coinsurance of $1,223 on remaining $6,115)*	$2,140 **Individual Deductible Met** *($800 toward **Individual Deductible**, 20% coinsurance of $1340 on remaining $6,700)*
Generic retail prescription (Patel's daughter)	*$20 x 1*	$2 *(10% coinsurance)*	$4 *(20% coinsurance)*	$15 *($15 copay x 1)*
Six physical therapy visits (Patel)	*$150 x 6*	$90 (10% coinsurance)	$180 (20% coinsurance)	$460 **Family Deductible Met** *($350 toward **Family Deductible**, 20% coinsurance of $110 on remaining $550)*
Total expenses	***$13,795***	**$4,414**	**$7,007**	**$4,538**
Patel's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		$3,732	$1,560	$6,444
Deductible amount paid by Patel		$3,500	$5,600	$1,600
Other costs paid by Patel*		$914	$1,407	$2,938
Annual Company-provided Contributions		($800)	($300)	N/A
Patel's Total Cost		**$7,346**	**$8,267**	**$10,982**

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

If Patel 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	$2,712	$4,884
Saving up to the IRS HSA individual contribution limit	$7,950	$8,450

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.