

Example 5 – Married Employee with More Medical Expenses

This example shows you how much a married 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 Hannah

- Hannah is married. She and her husband don't use tobacco and they get their annual physicals.
- They use in-network doctors for their care. Midyear, Hannah's husband is diagnosed with a health condition.
- Let's pretend that they will need to:
 - Get their annual physicals;
 - Go to the primary care doctor twice during the year;
 - Go to the urgent care doctor once during the year;
 - Get one round of lab work;
 - Visit the hospital for two days due to an illness; and
 - Fill some generic and Tier 2 brand-name prescriptions at the pharmacy and some generic prescriptions through home delivery.

The amounts shown are estimates for Hannah's care under the plans. The numbers are for illustration purposes only. Please note Hannah's 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 plans, some preventive generic prescriptions are also covered at 100% (shown as \$0 on the chart). All other amounts show Hannah'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	\$3,500	\$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:				
Two annual physicals	\$150 x 2	\$0 (covered 100%)		
Two preventive generic mail order prescriptions - filled four times each	\$85 x 8	\$0	\$0	\$120 (\$15 copay x 8)
One primary care doctor visit (Hannah's husband)	\$150 x 1	\$150	\$150	\$40 (\$40 copay x 1)
One round of lab work (Hannah's husband)	\$150 x 1	\$150	\$150	\$150
One generic retail prescription & two Tier 2 brand-name retail prescriptions (Hannah's husband)	\$20 x 1 + \$275 x 2	\$570	\$570	\$15 (\$15 copay x 1) + \$165 (\$550 x 30% coinsurance)
One primary care doctor visit & two generic prescriptions filled at the pharmacy (Hannah)	\$150 x 1 + \$20 x 2	\$190	\$190	\$40 (\$40 copay x 1) + \$30 (\$15 copay x 2)
One urgent care visit & two generic prescriptions filled at the pharmacy (Hannah)	\$200 x 1 + \$20 x 2	\$240	\$240	\$50 (\$50 copay x 1) + \$30 (\$15 copay x 2)
Two day hospital stay (Hannah's husband)	\$4,000	\$2,380 Family Deductible Met (\$2,200 toward family deductible, 10% coinsurance of \$180 on remaining \$1,800)	\$2,904 Individual Deductible Met (\$2,630 toward individual deductible, 20% coinsurance of \$274 on remaining \$1,370)	\$1,320 Individual Deductible Met (\$650 toward individual deductible, 20% coinsurance of \$670 on remaining \$3,350)
Two generic mail order prescriptions-filled twice (Hannah's husband)	\$85 x 4	\$34 (10% coinsurance)	\$68 (20% coinsurance)	\$120 (\$30 copay x 4)
Total expenses	\$6,620	\$3,714	\$4,272	\$2,080
Hannah's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		\$2,856	\$1,176	\$4,872
Deductible amount paid by Hannah		\$3,500	\$3,930	\$800
Other costs paid by Hannah*		\$214	\$342	\$1,280
Annual Company-provided Contributions		(\$800)	(\$300)	N/A
Hannah's Total Cost		\$5,770	\$5,148	\$6,952

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

To calculate Hannah'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 Basic wins!

If Hannah 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	\$2,016	\$3,696
Saving up to the IRS HSA family contribution limit	\$8,200	\$8,700

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.