

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:
 - Get their annual physicals;
 - Go to the primary care doctor four times during the year;
 - Go to the specialist four times before surgery and two more times after surgery;
 - Visit a physical therapist eight times before surgery and eight more times after surgery;
 - Visit the hospital for inpatient surgery for a hip replacement; and
 - 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'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 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	\$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%)		
One primary care doctor visit (Gabrielle's husband)	\$150 x 1	\$150	\$150	\$40 (\$40 copay x 1)
One preventive generic mail order prescription - filled four times (Gabrielle's husband)	\$85 x 4	\$0	\$0	\$120 (\$30 copay x 4)
Three primary care doctor visits (Gabrielle)	\$150 x 3	\$450	\$450	\$120 (\$40 copay x 3)
Two generic retail prescriptions (Gabrielle)	\$20 x 2	\$40	\$40	\$30 (\$15 copay x 2)
One ER visit (Gabrielle's husband)	\$1,200	\$1,200	\$1,200	\$0 (ER copay waived because he was admitted to the hospital)
One inpatient surgery with one day in the hospital (Gabrielle's husband)	\$25,000	\$3,994 Family Deductible Met (\$1,660 toward family deductible, 10% coinsurance of \$2,334 on remaining \$23,340)	\$3,650 Individual Deductible Met + Individual Out-of-Pocket Max Met (\$2,150 toward Individual Deductible , 20% coinsurance of \$1,500 up to the Individual OOP Max)	\$4,840 Individual Deductible Met + Individual Out-of-Pocket Max Met (\$800 toward Individual Deductible , 20% coinsurance of \$4,040 up to the Individual OOP Max)
Four specialist doctor visits (Gabrielle)	\$250 x 4	\$100 (10% coinsurance)	\$1,000	\$200 (\$50 copay x 4)
Two generic retail prescriptions (Gabrielle)	\$20 x 2	\$4 (10% coinsurance)	\$40	\$30 (\$15 copay x 2)
Eight physical therapy visits (Gabrielle)	\$150 x 8	\$120 (10% coinsurance)	\$696 Family Deductible Met (\$570 toward family deductible, 20% coinsurance of \$126 on remaining \$630)	\$880 Family Deductible Met (\$800 toward family deductible, 20% coinsurance of \$80 on remaining \$400)
Inpatient surgery & hospital stay (Gabrielle)	\$25,000	\$792 Family Out-of-Pocket Max Met (10% coinsurance of \$792 up to family OOP max)	\$2,774 Family Out-of-Pocket Max Met (20% coinsurance of \$2,774 up to family OOP max)	\$3,740 Family Out-of-Pocket Max Met (20% coinsurance of \$3,740 up to family OOP max)
Two specialist doctor visits (Gabrielle)	\$250 x 2	\$0	\$0	\$0
Eight physical therapy visits (Gabrielle)	\$150 x 8	\$0	\$0	\$0
Total expenses	\$56,420	\$6,850	\$10,000	\$10,000
Gabrielle's Paycheck & Out-of-Pocket Costs:				
Annual paycheck deductions		\$2,856	\$1,176	\$4,872
Deductible amount paid by Gabrielle		\$3,500	\$5,600	\$1,600
Other costs paid by Gabrielle*		\$3,350	\$4,400	\$8,400
Annual Company-provided Contributions		(\$800)	(\$300)	N/A
Gabrielle's Total Cost		\$8,906	\$10,876	\$14,872

*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 her 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	\$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.