

Example 7 – Employee with Child(ren) with Fewer Medical Expenses

This example shows you how much an employee with a child with fewer 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 Robert

- Robert has one child but his wife has medical coverage with her employer. So he will elect Employee + Child(ren) coverage.
- He and his son are in fairly good health, he doesn't use tobacco, they go to the doctor for their wellness exams, wellness visits, and shots each year. In addition preventive care, his son becomes ill and needs to see a specialist.
- Let's pretend that Robert will need to:
 - Get two physicals/wellness visits;
 - Visit the primary care doctor four times;
 - Get two rounds of lab work;
 - Visit the urgent care one time; and,
 - Fill four generic prescriptions at the pharmacy and one generic prescription through home delivery.

The amounts shown are estimates for the Robert and his son's care under both plans. The numbers are for illustration purposes only. Please note all the annual wellness exams, wellness visits and immunizations were routine preventive care. So the plan covered all of these at 100% (shown as \$0 on the chart). All other amounts show Robert's out-of-pocket costs and assume he and his child used in-network providers.

	<i>Cost of Care Details</i>	CDHP	PPO
Annual Deductible (Family)		\$7,500	\$2,000
Out-of-Pocket Maximum (Family)			\$7,000
Annual Medical Expenses:			
Two annual wellness visits	\$250 x 2	\$0 (covered 100%)	\$0 (covered 100%)
Four primary care doctor visits	\$80 x 4	\$320	\$100 (\$25 copay x 4)
Two rounds of lab work	\$500 x 2	\$1,000	\$1,000
One urgent care visit	\$250	\$250	\$50 copay
Four 31-day, retail generic drugs and one 90-day, generic maintenance medication filled via home delivery	\$30 x 4 + \$50 x 1	\$120 + \$50	\$20 (\$5 copays x 4) + \$10 (\$10 copay x 1)
Total expenses	\$2,240	\$1,740	\$1,180

YOUR BENEFITS 2020



	<i>Cost of Care Details</i>	CDHP	PPO
Robert's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$840	\$2,608
Deductible amount paid by Robert		\$1,740	\$1,000
Other costs paid by Robert*		\$0	\$180
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Robert's Total Cost		\$840	\$3,788

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

To calculate the family's total cost, we added the annual out-of-pocket expenses (deductible + coinsurance and/or copayments + annual paycheck deductions based on the non-tobacco user rates) and subtracted Robert's Partnership-provided HSA contribution. As you can see, your savings are much greater with the CDHP! Robert could also save even more by making his own HSA contribution and lowering his taxable income.