

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

This example shows you how much an employee with a child 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 Rebecca

- Rebecca has two children but her husband has medical coverage with his employer. So she will elect Employee + Child(ren) coverage.
- She and her children are in good health, she doesn't use tobacco, and she and her children go to the doctor for their physicals, wellness visits, and shots each year. In addition preventive care, the kids occasionally need to go to the doctor for illnesses.
- Her son had an accident on the playground and broke his arm. A visit to the ER and an X-ray show that he will have to have outpatient surgery and pins to set his arm.
- Rebecca is an accident and has to go to the ER, have an MRI, and C-T scan.
- Let's pretend that Rebecca will need to:
 - Get three physicals/wellness visits;
 - Visit the primary care doctor eight times;
 - Get care for two accidents – two ER visits, one X-ray, MRI, C-T scan, and one outpatient surgery; and,
 - Fill ten generic prescriptions at the pharmacy and one generic prescription through home delivery.

The amounts shown are estimates for the Rebecca and her children'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 Rebecca's out-of-pocket costs and assume she and her child used in-network providers.

	<i>Cost of Care Details</i>	CDHP	PPO
Annual Deductible (Family)			\$2,000
Out-of-Pocket Maximum (Family)		\$7,500	\$7,000
Annual Medical Expenses:			
Three annual wellness visits	\$250 x 3	\$0 (covered 100%)	\$0 (covered 100%)
Eight primary care doctor visits	\$80 x 8	\$640	\$200 (\$25 copay x 8)
Two visits to the ER	\$800 X 2	\$1,600	\$1,600
One X-ray, MRI and C-T scan	\$500 + \$1,100 x 2	\$2,700	\$860 Deductible Met <i>(\$400 to satisfy deductible + 20% coinsurance on remaining \$2,300)</i>

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	Cost of Care Details	CDHP	PPO
Annual Medical Expenses (cont.):			
Outpatient surgery	\$6,000	\$2,560 Deductible Met + Max Out-of-Pocket Met <i>(\$2,569 to satisfy deductible, the Plan pays 100% of all remaining costs)</i>	\$1,200 <i>(Already met deductible, 20% coinsurance for care)</i>
Ten 31-day, retail generic drugs and one 90-day, generic maintenance medications filled via home delivery	\$30 x 10 + \$50 x 1	\$0	\$50 (\$5 copays x 10) + \$10 (\$10 copay x 1)
Total expenses	\$12,040	\$7,500	\$3,920
Rebecca's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$840	\$2,608
Deductible amount paid by Rebecca		\$7,500	\$2,000
Other costs paid by Rebecca*		\$0	\$1,920
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Rebecca's Total Cost		\$6,340	\$6,528

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

To calculate Rebecca'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 Rebecca's Partnership-provided HSA contribution. In this instance, her savings are greater with the CDHP! Rebecca could also save even more by making her own HSA contributions and lowering her taxable income.