

Example 12 – Family of Five with Major Medical Expenses

This example shows you how much a family of five 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 Ellen

- Ellen is married and has two young children and is pregnant with her third child. The family is in good health and Ellen and her husband don't use tobacco.
- Everyone in the family goes to the doctor for his/her physical, wellness visit and shots each year. In addition, the kids occasionally need to go to the doctor for illness.
- Ellen has serious complications at the end of her pregnancy and is put on inpatient bed rest. She has a C-section delivery.
- The baby has a surgery has stays in the NICU for two weeks along with several specialists visits once they are released.
- Let's pretend that Ellen will need to:
 - Get four wellness exams;
 - Visit the primary care doctor ten times;
 - Visit the specialist eight times;
 - Stay in the hospital for fourteen days with an emergency C-section;
 - Have surgery for the baby and stay in the NICU for an additional four weeks; and,
 - Fill eight generic prescriptions at the pharmacy and four more generic prescriptions through home delivery.

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

	<i>Cost of Care Details</i>	CDHP	PPO
Annual Deductible (Employee Only)			\$2,000
Out-of-Pocket Maximum (Employee Only)		\$7,500	\$7,000
Annual Medical Expenses:			
Four preventive care visits – wellness visits for Mom and Dad, wellness visits and immunizations for three kids	\$250 x 4	\$0 (covered 100%)	\$0 (covered 100%)
Ten primary care doctor visits	\$80 x 10	\$800	\$250 (\$25 copay x 10)
Eight specialist visits	\$110 x 8	\$880	\$280 (\$35 copay x 8)

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	Cost of Care Details	CDHP	PPO
Annual Medical Expenses (cont.):			
Fourteen day hospital Stay with emergency C-section	\$31,000 x 1	\$5,820 Deductible Met <i>(\$5,820 to satisfy deductible, the Plan pays 100% of all remaining costs)</i>	\$6,470 Deductible Met + Maximum Out-of-Pocket Me <i>(\$2,000 to satisfy deductible + 20% coinsurance up to out-of-pocket maximum)</i>
Neonatal Surgery	\$17,000 x 1	\$0	\$0
NICU stay – two weeks	\$32,000 x 1	\$0	\$0
Eight 31-day, retail generic drugs and four 90-day, generic maintenance medications filled via home delivery	\$30 x 8 + \$50 x 4	\$0	\$0
Total expenses	\$83,120	\$7,500	\$7,000
Ellen's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$1,502	\$4,095
Deductible amount paid by Ellen		\$7,500	\$2,000
Other costs paid by Ellen*		\$0	\$5,000
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Ellen's Total Cost		\$7,002	\$11,095

*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 Ellen's Partnership-provided HSA contribution. As you can see, your savings are much greater with the CDHP! Ellen could also save even more by making her own HSA contribution and lowering her taxable income.