

Example 6 – Married Couple with Major Medical Expenses

This example shows you how much a married couple 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 Lisa

- Lisa is married. Her husband is self-employed, they do not use tobacco and they do not have any children, so she will elect Employee + Spouse coverage.
- After numerous physical therapy visits, Lisa’s pain in her hip is not improving. As a result she has to have her hip replaced.
- Let’s pretend that Lisa will need to:
 - Get two wellness exams;
 - Visit the primary care doctor four times;
 - Visit a specialist ten times;
 - Visit a physical therapist three times before the surgery and an additional seven times after;
 - Have hip replacement surgery with a four day hospital stay; and,
 - Fill six generic prescriptions at the pharmacy and four more generic prescriptions through home delivery.

The amounts shown are estimates for Lisa and her husband’s care under both plans. The numbers are for illustration purposes only. Please note their annual wellness exams were routine preventive care. So the plan covered their wellness exams at 100% (shown as \$0 on the chart). All other amounts show Lisa’s out-of-pocket costs and assume she used in-network providers. Because Lisa is the only one receiving additional care she will satisfy the plan individual deductibles and out-of-pocket maximums.

	<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%)
Three primary care doctor visits (Lisa)	\$80 x 3	\$240	\$75 (\$25 copay x 3)
One primary care doctor visit (Lisa’s husband)	\$80 x 1	\$80	\$25 copay
Ten specialist visits (Lisa)	\$110 x 10	\$1,100	\$350 (\$35 copay x 10)
Three physical therapy visits pre-surgery (Lisa)	\$90 x 3	\$270	\$270

YOUR BENEFITS 2020



	Cost of Care Details	CDHP	PPO
Annual Medical Expenses (cont.):			
Hip replacement surgery with four day hospital stay (Lisa)	\$30,000	\$2,140 Individual Deductible Met + Individual Out-of-Pocket Max Met <i>(\$2,140 to satisfy individual deductible and out-of-pocket max, the Plan pays 100% of all Lisa's remaining costs)</i>	\$2,250 Individual Deductible Met + Individual Out-of-Pocket Max Met <i>(\$305 to satisfy deductible + 20% coinsurance up to out-of-pocket max for all of Lisa')</i>
Seven physical therapy visits post-surgery (Lisa)	\$90 x 7	\$0	\$0
Six 31-day, retail generic drugs (Lisa)	\$30 x 6	\$0	\$0
Four 90-day, generic drugs filled via home delivery (Lisa's husband)	\$50 x 4	\$200	\$40 (\$10 copay x 4)
Total expenses	\$33,200	\$3,975	\$3,565
Lisa's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$929	\$2,898
Deductible amount paid by Lisa		\$3,975	\$1,000
Other costs paid by Lisa*		\$0	\$2,565
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Lisa's Total Cost		\$2,904	\$6,463

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