

Example 5 – Married Couple with More Medical Expenses

This example shows you how much a married couple 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 Doug

- Doug is married. His wife is self-employed, they do not use tobacco and they do not have any children, so he will elect Employee + Spouse coverage.
- Doug’s wife has Type 1 diabetes and controls her condition with insulin but has some complications and stays in the hospital a couple of times this year.
- Let’s pretend that Doug will need to:
 - Get two wellness exams;
 - Visit the primary care doctor six times;
 - Visit a specialist ten times;
 - Two rounds of lab work;
 - Have two hospital stays for a total of six days; and,
 - Fill two generic prescriptions at the pharmacy and four more generic prescriptions through home delivery.

The amounts shown are estimates for Doug and his wife’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 Doug’s out-of-pocket costs and assume he and his wife used in-network providers. Because Doug’s wife is the only one receiving additional care, she will only need to satisfy the 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%)
Two primary care doctor visits (Doug)	\$80 x 2	\$160	\$50 (\$25 copay x 2)
Two primary care doctor visits (Doug’s wife)	\$80 x 4	\$480	\$100 (\$25 copay x 4)
Ten specialist visits (Doug’s wife)	\$110 x 10	\$1,100	\$350 (\$35 copay x 10)
One round of lab work (Doug)	\$500 x 1	\$500	\$500
One round of lab work (Doug’s wife)	\$500 x 1	\$500	\$500
Six days in hospital (Doug’s wife)	\$12,600	\$1,420 Deductible Met + Max Out-of-Pocket Met <i>(\$1,420 for Doug’s wife to satisfy the individual deductible, the Plan pays 100% of all her remaining costs)</i>	\$1,700 Deductible Met + Max Out-of-Pocket Met <i>(\$500 for Doug’s wife to satisfy the individual deductible, the Plan pays 80% coinsurance up to individual max out-of-pocket)</i>

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	<i>Cost of Care Details</i>	CDHP	PPO
Annual Medical Expenses (cont.):			
Four 90-day generic drugs filled via home delivery (Doug)	\$50 x 4	\$0	\$40 (\$10 copay x 4)
Two 31-day retail generic drugs (Doug's wife)	\$30 x 2	\$0	\$0
Total expenses	\$15,940	\$4,410	\$4,090
Doug's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$929	\$2,898
Deductible amount paid by Doug		\$4,000	\$750
Other costs paid by Doug*		\$0	\$2,250
Annual Partnership-provided HSA Contribution		- \$2,000	N/A
Doug's Total Cost		\$3,339	\$6,988

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

To calculate Doug'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 Doug's Partnership-provided HSA contribution. As you can see, you save by choosing the CDHP! Doug could also save even more by making his own HSA contribution and lowering his taxable income.