

Example 3 – Single Employee with Major Medical Expenses

This example shows you how much a single person 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 Alex

- Alex is single, in good health and doesn't use tobacco. He doesn't have any dependents. So he will elect Employee Only coverage.
- He goes to the doctor for his wellness exam each year. Alex is in an a major auto accident, which results in a trip to the ER with hospitalization including two surgeries, X-rays, multiple primary and specialists follow-up visits and three months of physical therapy. He will need to take several medications.
- Let's pretend that Alex will need to:
 - Get his annual wellness exam;
 - Visit the primary care doctor 6 times;
 - Visit a specialist ten times;
 - Have one surgery with several days in the hospital;
 - Have an additional outpatient surgery;
 - Get two X-rays and two MRI's and twelve physical therapy sessions; and,
 - Fill eight generic prescriptions at the pharmacy and 1 more generic prescription through home delivery.

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

	<i>Cost of Care Details</i>	CDHP	PPO
Annual Deductible (Employee Only)		\$3,750	\$1,000
Out-of-Pocket Maximum (Employee Only)			\$3,500
Annual Medical Expenses:			
One annual wellness exam	\$250 x 1	\$0 (covered 100%)	\$0 (covered 100%)
Six primary care doctor visits	\$80 x 6	\$480	\$150 (\$25 copay x 6)
Ten specialist doctor visits	\$110 x 10	\$1,100	\$350 (\$35 copay x 10)
One outpatient surgery	\$6,000 x 1	\$2,170	\$2,000
		Deductible Met <i>(\$2,170 to satisfy deductible, the Plan pays 100% of all remaining costs)</i>	Deductible Met <i>(\$1,000 to satisfy deductible + 20% coinsurance on remaining \$5,000)</i>

YOUR BENEFITS 2019



	Cost of Care Details	CDHP	PPO
Annual Medical Expenses (cont.):			
Two X-rays, two MRI's	\$500 x 2 + \$1,100 x 2	\$0	\$700 <i>(Already met deductible, 20% coinsurance for the procedures)</i>
Hospital stay – 6 days medical, 2 days ICU with Inpatient surgery	\$22,000 x 1	\$0	\$0 Maximum Out-of-Pocket Met
One trip to the ER	\$800 x 1	\$0	\$0
Twelve physical therapy visits post surgery	\$90 x 12	\$0	\$0
Eight 31-day, retail generic drugs and one 90-day, generic maintenance medications filled via home delivery	\$30 x 8 + \$50 x 1	\$0	\$0
Total expenses	\$35,200	\$3,750	\$3,000
Alex's Paycheck & Out-of-Pocket Costs:			
Annual paycheck deductions		\$489	\$1,380
Deductible amount paid by Alex		\$4,000	\$750
Other costs paid by Alex*		\$0	\$2,250
Annual Partnership-provided HSA Contribution		- \$1,000	N/A
Alex's Total Cost		\$3,254	\$4,949

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

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