Example 9 – Employee Covering Children, High Medical and Rx Expenses

This example shows how much an employee covering children with high medical and Rx expenses * will pay for care under each plan. When deciding which 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 from your paycheck.

Meet Michelle

Michelle covers her son and daughter. They use in-network doctors and pharmacies. Michelle has a tough year.

Let's pretend that they will need to:

— Get their annual physicals;

— Go to the doctor once during the year for allergy testing and regular allergy shots;

— Visit the ER;

— Visit a specialist;

— Go into the hospital for surgery which includes an ICU stay; and,

— Fill several generic prescriptions.

All the annual physicals were routine preventive care, so G6 covered 100% of the cost (shown as $0 on the chart below). All other amounts show Michelle's out-of-pocket costs and assume she used in-network providers.

	Cost of Care	Value Plan	Classic Plan
Individual Annual Deductible		$4,000	$1,500
Family Annual Deductible		$12,000	$4,500
Individual Out-of-Pocket Maximum		$6,000	$4,000
Family Out-of-Pocket Maximum		$12,000	$8,000
Annual Medical Expenses:			
Three annual physicals	$300 x 3	$0 (G6 pays 100%)	$0 (G6 pays 100%)
Four primary care doctor visits **Two for her daughter** **Two for her son**	$150 x 4	$600	$120 ($30 co-pay x 4)
Four retail generic prescriptions **Two for her daughter** **Two for her son**	$15 x 4	Filled through Preventive Therapy Drug List	$40 ($10 co-pay x 4)
Four Preventive Therapy Drug List retail prescriptions, **Two for her daughter** **Two for her son**	$15 x 4	40 ($10 co-pay x 4)	Preventive Therapy Drug List Does Not Apply to Classic Plan
Twelve specialist visits for Michelle	$225 x 12	$2,700	$600 ($50 co-pay x 12)
Two generic mail order prescriptions, filled four times, for Michelle	$45 x 2 x 4	Filled through Preventive Therapy Drug List	$200 ($25 co-pay x 2 x 4)
Two Preventive Therapy Drug List mail order prescription, filled four times, for Michelle	$45 x 2 x 4	$200 x ($25 co-pay x 2 x 4)	Preventive Therapy Drug List Does Not Apply to Classic Plan
One ER visit for her son	$1,100 x 1	$1,100	$300 co-pay PLUS $220 ($1,100 x 20% co-insurance)
Hospital stay for her son	$5,000 x 1	$2,580 toward individual deductible PLUS $726 ($2,420 x 30% co-insurance) **Individual Deductible Met** **(Michelle's Son)**	$500 co-pay PLUS $1,500 to individual deductible PLUS $700 ($3,500 x 20% co-insurance) **Individual Deductible Met** **(Michelle's Son)**

Surgery for her son	$30,000 x 1	$1,274 **Individual Out-of-Pocket Max Met (Michelle's Son)**	$700 **Individual Out-of-Pocket Max Met (Michelle's Son)**
ICU stay for her son	$5,000	$0	$0
Twelve physical therapy visits for her daughter	$130 x 12	$1,560	$1,500 toward individual deductible PLUS $12 ($60 x 20% co-insurance) **Individual Deductible Met Michelle's Daughter**
Total expenses	**$47,280**	**$10,780**	**$6,392**
Michelle's Paycheck and Out-of-Pocket Costs:			
Annual paycheck costs		$3,380	$6,916
Deductible amount paid by Michelle		$8,780	$3,000
Other costs paid by Michelle**		$2,000	$3,392
Michelle's Total Costs		**$14,160**	**$13,308**

To calculate Michelle's total cost, we added her annual out-of-pocket expenses (deductible + coinsurance and/or co-payments + annual paycheck deductions based on the max incentive rates). As you can see, the Classic Plan is the winner for Michelle.

* Note: The Real-Life Examples were created to help employees understand how the plans pay for care differently. The full medical and prescription drug costs shown are illustrative and for educational purposes only. Your medical and prescription drugs costs will vary depending on a number of factors such as your doctor's negotiated rates, Rx drug costs for your medication, where you. receive care, etc.

** Includes co-pays, co-insurance and out-of-pocket costs after the deductible is met, if applicable.