



Anthony

Spouse is Tanya. Both in early 60s, working, no covered dependents.

Available Funds: Moderate
Health Care Use: High

Let's look at how the IYC Health Plan and High Deductible Health Plan (HDHP) would work for Anthony and Tanya over the course of three years.

Year 1

	IYC Health Plan	HDHP
Annual Premium	\$3,684 <i>(Employer pays \$24,700)</i>	\$1,368 <i>(Employer pays \$23,200)</i>
Health Savings Account (HSA) Annual Employer Contribution Anthony's Annual Contribution	None. Not eligible for HSA.	\$1,650 \$2,300
Primary Care Office Visits 2 Visits for Tanya	\$30	\$240 <i>Must pay the full office visit cost until the deductible is met</i>
Specialist Office Visits for Tanya 2 Visits to Spine Specialist	\$50	\$500 <i>Must pay the full office visit cost until the deductible is met</i>
Preventive Care Adult Physicals	\$0	\$0
Prescription 1 Fill for Tanya 48 Fills for Anthony (4 maintenance medications)	\$5 \$240	\$10 \$720 <i>Must pay the full cost of most prescriptions until the deductible is met. Certain maintenance medications are covered before the deductible</i>

Year 1 Total

Anthony would pay \$4,009 for his and Tanya's health care this year.

Anthony would pay \$3,668 in premiums and HSA contributions this year.

He would also have **\$2,480 HSA to carry over** for future health care expenses after paying for prescriptions and office visits.



Year 2

	IYC Health Plan	HDHP
Annual Premium	\$3,684 <i>(Employer pays \$24,700)</i>	\$1,368 <i>(Employer pays \$23,200)</i>
Health Savings Account (HSA)		
Annual Employer Contribution	None. Not eligible for HSA.	\$1,650
Anthony's Annual Contribution		\$2,300
Carryover Balance		\$2,480
Primary Care Office Visits 2 Visits for Anthony	\$30	\$240
Specialist Office Visits 2 Visits to Spine Specialist for Tanya	\$50	\$500
Preventive Care Adult Physicals	\$0	\$0
Prescription 48 Fills for Anthony (4 maintenance medications)	\$240	\$720
Anthony has a Heart Attack	\$1,250	\$3,540
Total Cost: \$68,850 Ambulance: \$1,000 Emergency Room: \$3,200 Surgery: \$53,000 Hospitalization: \$8,800 2 Stress Tests: \$350 Echocardiogram: \$200 Cardiac Rehab: \$2,300	<i>After meeting the deductible, he is responsible for 10% of the remaining costs up to the out-of-pocket-limit (OOPL) of \$1,250.</i> <i>Office visit copays and prescriptions do not count toward the medical deductible. Copays do count toward the medical OOPL. Prescriptions have a separate OOPL.</i>	<i>After meeting the family deductible, he is responsible for 10% of the remaining cost, up to the full family HDHP OOPL of \$5,000.</i>

Year 2 Totals

Anthony would pay \$5,254 for his and Tanya's health care this year.

Anthony would pay \$3,668 in premiums and HSA contributions this year.

He would use \$5,000 from his HSA to cover medical services and prescriptions.

He would have **\$1,430 remaining in his HSA** for future medical expenses.



Year 3

	IYC Health Plan	HDHP
Annual Premium	\$3,684 <i>(Employer pays \$24,700)</i>	\$1,368 <i>(Employer pays \$23,200)</i>
Health Savings Account (HSA)		
Employer Contribution	None. Not eligible for HSA.	\$1,650
Anthony's Annual Contribution		\$2,300
Carryover Balance		\$1,430
Primary Care Office Visits		
1 Visit for Anthony	\$15	\$120
Specialist Office Visits		
6 Cardiac Specialist Visits for Anthony	\$150	\$1,500
2 Visits to Spine Specialist for Tanya	\$50	\$500
Preventive Care		
Adult Physicals	\$0	\$0
Prescription		
1 Fill for Tanya	\$5	\$10
48 Fills for Anthony (4 maintenance medications)	\$240	\$720
Tanya Injures Her Back	\$359	\$539
Total Cost: \$1,340	<i>After meeting the individual deductible, he is responsible for 10% of the remaining costs up to the OOP of \$1,250.</i>	<i>After meeting the family deductible, he is responsible for 10% of the remaining cost, up to the full family HDHP OOP of \$5,000.</i>
Urgent Care & X-ray: \$600		
Physical Therapy: \$680		
Pain Medication (x4 Fills): \$60		

Year 3 Totals

Anthony would pay \$4,503 for his and Tanya's health care this year.

Anthony would pay \$3,668 in premiums and HSA contributions this year.

He would use \$3,389 from his HSA to cover medical services and prescriptions.

He would have **\$1,991 remaining in his HSA** for future medical expenses.



Total Over 3 Years

IYC Health Plan

Anthony would pay **\$13,766** for his and Tanya's health care over 3 years.

Anthony would pay **\$11,004** for his and Tanya's health care over 3 years.

HDHP

He would have **\$1,991 in his HSA** for their future medical expenses.

By contributing to his HSA with pre-tax dollars, he saved 30% in taxes or **\$2,070**. Tax savings may vary.

What Anthony Chose...

Anthony chose the IYC Health Plan because he and Tanya need many health care services.

As you can see, even with multiple significant unplanned expenses, Anthony would still have saved money with the HDHP.

One thing to remember with the Health Savings Account (HSA) is that funds aren't available until they are deposited. Your employer's contributions are deposited evenly throughout the year, so you won't receive the entire amount until the end of the year. Most employees also make monthly contributions but may also deposit additional money at any time. Thus, if you have a large medical expense, you can contribute money – even after you incur the expense to reimburse yourself.

While building up your HSA funds, make sure you have extra money on hand for unexpected health care expenses. A good rule of thumb is to have enough to cover the deductible. For a family that would be \$3,000.

With the HDHP, Anthony added \$2,300 to his HSA each year in addition to his employer's contribution. Anthony's contribution is roughly the difference between the annual premium for the HDHP and the IYC Health Plan. There is a limit to how much can be added to an HSA in a given year: \$8,550 for a family plan. This limit includes both his and his employer's contributions.



Food for Thought...

Because Anthony is taking monthly maintenance medications, he could lower his prescription costs by receiving a 90-day supply of medication or using the mail order pharmacy. See our [Saving on your Prescriptions](#) video for these and other cost-saving tips.



Note: The case study presented here is an example of health care expenses incurred by a fictitious member of our program. Your situation is unique; thoroughly evaluate all of your needs before selecting a plan design option.

