

# Take Stock of Your Family's Health Care Needs

Spending a little time thinking about the health care needs you and your family will have in 2010 can help you make the right coverage decisions at enrollment. Here are some things to consider:

- ❖ How did you use health care in 2009? Recall your claims over the past year. Did you feel you had enough coverage for your needs? Too little? Use the following tools to help you decide what to do:
  - Health Plan Comparison Chart – lets you compare how medical services are covered under the medical plan options available to you and shows you the cost of coverage for each option.
  - Medical Expense Estimator – allows you to project and compare the total annual costs you'd incur under each medical plan option.
  
- ❖ Has your family experienced any major changes this year?
  - Have you or a family member's health care needs changed? For example, has anyone developed a chronic condition, such as asthma or diabetes?
  - Will you need to remove a dependent or cover a new one?
  - Are any of your young children now old enough to need dental or vision care?
  - Has your family experienced a job layoff or other financial hardship that might cause you to reevaluate the cost of your coverage?
  
- ❖ Do you anticipate needing surgery or any other medical procedures in 2010?
  - If so, you'll want to investigate how each plan will cover the services you need. You can use the Health Plan Comparison chart and the Flexible Spending Account tools to help you make your elections.
  
- ❖ Other considerations:
  - Would it make more financial sense to enroll in your spouse's health plan? Is it more cost effective for you to carry dependent children and your spouse to take coverage through their employer?
  - It is important to compare and evaluate all options available to you and your dependents, including the coverage available and the cost of that coverage, to ensure you are making the best coverage decisions at enrollment.
  
- ❖ Remember, annual open enrollment is the only time to make benefit elections for the next calendar year. The choices you make during Open Enrollment remain in place from January 1, 2010 through December 31, 2010. You cannot add or drop coverage until the next Open Enrollment period in November 2010 (for the plan year beginning January 1, 2011) unless you have a change in family status or experience another "qualifying event", with benefit changes related to the specific life event.

## 2010 HEALTH PLAN COMPARISON CHART

Benefit Highlight (In Network)	HIGH PPO	STANDARD PPO	ECONOMY PPO
<b>Annual Deductible</b>			
Single	\$400	\$750	\$1,000
Family	\$800	\$1,500	\$2,000
<b>Annual Out-of-Pocket Maximum</b>			
Single	\$1,500	\$2,000	\$4,000
Family	\$3,000	\$4,000	\$8,000
<b>Co-Insurance Amount</b>	10%	20%	30%
<b>Office Visit Co-pay</b>	\$25	\$35	\$35
<b>Prescription Co-pay</b>			
Retail Generic	\$10	\$15	\$15
Retail Brand	\$25	\$30	\$35
Retail Non-Formulary	\$35	\$45	\$45
Mail Order Generic	\$20	\$30	\$30
Mail Order Brand	\$50	\$60	\$70
Mail Order Non-Formulary	\$70	\$90	\$90
<b>Employee Monthly Premiums</b>			
Single	\$ 50	\$ 0	N/A
EE/Child(ren)	\$223	\$144	\$ 91
EE/Spouse	\$413	\$289	\$210
Family	\$602	\$433	\$337
Cross Reference Couple	\$ 0	N/A	N/A
Cross Reference Family	\$184	\$ 15	N/A

### TERMS YOU NEED TO KNOW.....

- **Deductible** – The initial amount of medical or hospital expenses you must pay before the Plan starts paying benefits
  - **Single Deductible** – The amount that each covered person must pay during a calendar year before the plan begins paying benefits for that person.
  - **Family Deductible** – The maximum amount that two (2) or more family members covered under the plan must pay in a calendar year. Once this cumulative family deductible is reached, the deductible will be considered satisfied for all family members covered under the plan for the remainder of the calendar year.
- **Out-of-Pocket Max** – The maximum dollar amount that you will have to pay for covered medical expenses during the plan year after which the plan pays 100% (the annual deductible counts toward the annual OOP, Office Visit or Rx co-pays do not)
- **Co-Insurance** – A percentage of the eligible expenses that you are responsible to pay the hospital or other provider/facility after meeting your annual deductible
- **Co-pay** – A fixed dollar amount that you pay when you use services, such as doctor visits and prescriptions. Co-payments are not subject to the annual deductible.

# MEDICAL EXPENSE ESTIMATOR

			High	Standard	Economy	Total OOP
Office Visits	# per year		\$25	\$35	\$35	
Inpatient/Outpatient Procedures (subject to deductible)	Y	N	\$400 Sing \$800 Fam	\$750 Sing \$1500 Fam	\$1000 Sing \$2000 Fam	
Co-insurance % remaining after meeting deductible			10%	20%	30%	
Anticipate meeting annual OOP Max	Y	N	\$1500 Sing \$3000 Fam	\$2000 Sing \$4000 Fam	\$4000 Sing \$8000 Fam	
				(less deductible)		( )
Prescription	# Generic/Yr		\$10	\$15	\$15	
	#Brand/Yr		\$25	\$30	\$35	
	#Non-Form/Yr		\$35	\$45	\$45	
Emergency Room Visits	# per year		\$100	\$100	\$100	
Other/Miscellaneous						
<b>Total Anticipated Out-Of-Pocket Expenses for the 2010 Plan Year</b>						
<b>Annual Premiums (pre-tax)</b>						
	High	Standard	Economy			
Single	\$600	\$0	NA			
EE/Child(ren)	\$2,676	\$1,728	\$1,092			
EE/Spouse	\$4,956	\$3,468	\$2,520			
Family	\$7,224	\$5,196	\$4,044			
Cross-Ref Couple	\$0	NA	NA			
Cross-Ref Family	\$2,208	\$180	NA			

## Scenario #1 – Should Tom choose the Single High or Single Standard Plan?

Tom uses the plan regularly, has conditions sometimes requiring inpatient/outpatient services, and has several office visits and prescriptions filled annually.

Tom anticipates meeting his deductible and OOP max for the 2010 plan year.

High OOP Max - **\$1500**

Standard OOP Max – **\$2000**

Tom typically has 12 Office Visits per year.

High OV Copay -  $\$25 \times 12 =$  **\$300**

Standard OV Copay -  $\$35 \times 12 =$  **\$420**

Tom has 24 generic tier 1 Rx's filled and 12 brand name tier 2 Rx's filled per year (maintenance Rx's):

High Rx Tier 1-  $24 \times \$10 =$  \$240      Tier 2 –  $12 \times \$25 =$  \$300      TOTAL Rx/yr = **\$540**

Stan Rx Tier 1-  $24 \times \$15 =$  \$360      Tier 2 –  $12 \times \$30 =$  \$360      TOTAL Rx/yr = **\$720**

Tom's OOP expenses for 2010, including his annual premiums will be approximately:

HIGH Single      \$2340 OOP + \$600 Premiums = **\$2940**

STANDARD Single      \$3140 OOP + \$ 0 Premiums = **\$3140**

\*Tom should buy-up to the HIGH Single plan to save **\$200** for the 2010 Plan Year.

## Scenario #2 – Should Sue choose the Family Standard or Family Economy Plan?

Sue and her 3 dependents are fairly healthy and mainly use the plan for regular check-ups and have no maintenance medications filled, only occasional Rx's for unexpected illnesses. They typically do not meet the annual deductible or OOP max in a plan year.

Sue's family typically has a total of 8 Office Visits per year.

Standard OV Copay -  $\$35 \times 8 =$  **\$280**

Economy OV Copay -  $\$35 \times 8 =$  **\$280**

Sue's family may have 2 generic Rx's filled and 2 brand name Rx's filled annually

Stan Rx Tier 1 –  $2 \times \$15 =$  \$30      Tier 2 –  $2 \times \$30 =$  \$60      TOTAL Rx/yr = **\$90**

Econ Rx Tier 1 –  $2 \times \$15 =$  \$30      Tier 2 –  $2 \times \$35 =$  \$70      TOTAL Rx/yr - **\$100**

Sue's OOP expenses for 2010, including her annual premiums will be approximately:

STANDARD Family      \$370 OOP + \$5196 Premiums = **\$5566**

ECONOMY Family      \$380 OOP + \$4044 Premiums = **\$4424**

\*Sue should elect the ECONOMY Family plan to save **\$1142** for the 2010 Plan Year.

## Items to consider when making decisions between the various plans:

- Remember the premiums are deducted on a pre-tax basis so a \$50/mo. premium may only impact your paycheck by about \$40/mo. (*estimated tax savings varies based on individual's tax brackets*)
- One should carefully consider the impact on your paycheck for premiums vs. the impact on your pocketbook for a catastrophic or high claim. Can you afford the higher premiums? Can you afford the hospital bill if you use the services under a lower paying plan?
- If you do select a more affordable plan based on premiums, but anticipate using the services under that plan, you may consider setting aside pre-tax dollars in an FSA to help offset out-of-pocket expenses as you utilize the plan throughout the year.
- Remember to take into account the services used by all family members participating on your plan.
- Feel free to contact a member of the Benefits Team if you have questions about which plan to choose. We are available to assist you with the decision making process.