

# Selecting a Medical Plan

## Ask Yourself

- What is my budget and the cost of coverage, including payroll deductions?
- What kind of healthcare needs do my dependents and I have?
- How much do I spend each year on out-of-pocket medical expenses?
- What types of prescription drugs do my dependents and I need?

## PPO

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- Highest paycheck cost
- Pay more upfront out of your paycheck before usage begins

## HDHP with HSA

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- Lowest paycheck cost
- Eligible to open HSA
- Save on taxes with HSA
- Contributions, earnings, and distributions are tax free (except for state tax income purposes in CA and NJ)
- Use the HSA for qualified healthcare expenses, save it for future expenses or invest it for retirement. Expenses can be for yourself, your spouse and eligible dependents
- Portable. You own the HSA account — take it with you wherever you go
- No use-it-or-lose it rule. Unused funds never expire, and money carries over to next year

# Plan Comparison Example: Single Coverage

**\*\*Employer HSA Contribution for 2021: \$1,500 Individual**

Put money into your HSA to pay for eligible expenses tax-free!

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Low Utilization (network services)	UHC HDHP + HSA	UHC PPO 1500
<b>Utilization Assumptions</b>		
<ul style="list-style-type: none"> <li>• PCP Visits: 3</li> <li>• Tier 1 Rx: 4</li> <li>• Tier 3 Rx: 2</li> </ul>	<ul style="list-style-type: none"> <li>• 20%/visit*(example:\$150)</li> <li>• \$10/Rx*</li> <li>• \$50/Rx*</li> </ul>	<ul style="list-style-type: none"> <li>• \$15/visit</li> <li>• \$10/Rx</li> <li>• \$50/Rx</li> </ul>
<b>Annual Paycheck Cost</b>	\$0	\$0
<b>Out-of-Pocket Cost of Services</b>	\$590	\$185
<b>Your Annual Cost</b>	<b>\$590**</b>	<b>\$185</b>

  

High Utilization (network services)	HDHP + HSA	PPO
<b>Annual Paycheck Cost</b>	\$0	\$0
<b>Out-of-Pocket Cost of Services (reach plan out-of-pocket max)</b>	\$3,000	\$4,500
<b>Your Annual Cost</b>	<b>\$3,000**</b>	<b>\$4,500</b>

\* after deductible

# Plan Comparison Example: Family Coverage

**\*\*Employer HSA  
Contribution for 2021:  
\$2,500 Family**

Put money into your  
HSA to pay for  
eligible expenses  
tax-free!

Put money into your  
HSA to pay for  
eligible expenses  
tax-free!

Low Utilization (network services)	UHC HDHP + HSA	UHC PPO 1500
<b>Utilization Assumptions</b>		
<ul style="list-style-type: none"> <li>• PCP Visits: 9</li> <li>• Tier 1 Rx: 6</li> <li>• Tier 3 Rx: 4</li> </ul>	<ul style="list-style-type: none"> <li>• 20%/visit*(example: \$150)</li> <li>• \$10/Rx*</li> <li>• \$50/Rx*</li> </ul>	<ul style="list-style-type: none"> <li>• \$15/visit</li> <li>• \$10/Rx</li> <li>• \$50/Rx</li> </ul>
<b>Annual Paycheck Cost</b>	\$8,779	\$11,525
<b>Out-of-Pocket Cost of Services</b>	\$1,610	\$395
<b>Your Annual Cost</b>	<b>\$10,389**</b>	<b>\$11,920</b>

  

High Utilization (network services)	HDHP + HSA	PPO
<b>Annual Paycheck Cost</b>	\$8,779	\$11,525
<b>Out-of-Pocket Cost of Services (reach plan out-of-pocket max)</b>	\$6,000	\$9,000
<b>Your Annual Cost</b>	<b>\$14,779**</b>	<b>\$20,525</b>

\* after deductible

# Key Takeaways

- **Do the math!** Review the health care needs for yourself and your covered dependents, determine your budget, including what it costs out of your paycheck, to select the plan that fits your needs
- Both medical plans cover preventive care at 100% with no copays or deductible
- Don't miss out on the tax advantages with an HSA
  - Save for retirement! Contributions to the HSA, up to the annual IRS limit, is tax free
  - Use your HSA to pay for eligible expenses tax free
  - Savings in your account grow tax free

NOTE: State taxes may apply in CA and NJ