



Dave

Age 27. Single. No Children.

Available Funds: Low
Health Care Use: Low

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

Year 1

	IYC Health Plan	HDHP
Annual Premium	\$1,488 <i>(Employer pays \$10,100)</i>	\$552 <i>(Employer pays \$9,500)</i>
Health Savings Account (HSA)		
Annual Employer Contribution	None. Not eligible for HSA.	\$828
Dave's Annual Contribution		\$0
Primary Care Office Visit		\$120
1 Visit	\$15	<i>Must pay the full office visit cost until the deductible is met</i>
Preventive Care		
Adult Physical	\$0	\$0
Prescription		
1 Fill	\$5	\$10

Year 1 Total

Dave would pay **\$1,508** for his health care this year.

Dave would pay **\$552** in premiums this year.

He would also have **\$698 in his HSA** for future health care expenses after paying for his prescription and office visit.



Year 2

	IYC Health Plan	HDHP
Annual Premium	\$1,488 <i>(Employer pays \$10,100)</i>	\$552 <i>(Employer pays \$9,500)</i>
Health Savings Account (HSA)		
Annual Employer Contribution	None. Not eligible for HSA.	\$828
Dave's Annual Contribution		\$0
Carryover Balance		\$698
Preventive Care		
Adult Physical	\$0	\$0
Unplanned Rotator Cuff Surgery		
Total Cost: \$22,000	\$1,250 <i>After meeting his deductible, Dave pays 10% of the remaining cost, up to the medical out-of-pocket-limit (OOPL) of \$1,250.</i>	\$2,500 <i>After meeting his deductible, Dave pays 10% of the remaining cost, up to the HDHP OOPL of \$2,500.</i>
Prescription		
1 Fill	\$5 <i>Dave has met his medical OOPL, but he has not met his prescription OOPL. He is still responsible for the cost of the medication.</i>	\$0 <i>Dave has already met his HDHPOOPL, which includes medical and prescription costs.</i>
Primary Care Office Visits		
6 Physical Therapy Sessions	\$0 <i>Dave already met his medical OOPL.</i>	\$0 <i>Dave already met his OOPL.</i>
Year 2 Total	Dave would pay \$2,743 for his health care this year.	Dave would pay \$552 in premiums this year. After the unexpected surgery, he would use all funds in his HSA (\$1,526) plus an additional \$974 out-of-pocket to cover the costs. Dave would spend a total of \$1,526 out-of-pocket on health care expenses this year. He has no money left in his HSA.



Year 3

	IYC Health Plan	HDHP
Annual Premium	\$1,488 <i>(Employer pays \$10,100)</i>	\$552 <i>(Employer pays \$9,500)</i>
Health Savings Account (HSA)		
Annual Employer Contribution	None. Not eligible for HSA.	\$828
Dave's Annual Contribution		\$0
Carryover Balance		\$0
Primary Care Office Visit 1 Visit	\$15	\$120
Preventive Care Adult Physical	\$0	\$0
Prescription 1 Fill	\$5	\$10
Year 3 Total	Dave would pay \$1,508 for his health care this year.	Dave would pay \$552 in premiums this year.

He also would have \$698 in his HSA to carryover for future health care expenses after paying for his prescription and office visit.

Total Over 3 Years

IYC Health Plan

Dave would pay **\$5,759** for health care over 3 years.

HDHP

Dave would pay **\$2,630** for health care over 3 years.

He would have **\$698 in his HSA** for future medical expenses.

What Dave Chose...

Dave chose the High Deductible Health Plan (HDHP) because he wanted to keep his costs low, and he rarely goes to the doctor. Even with his unplanned rotator cuff surgery and physical therapy appointments, he saw significant savings over three years.

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 an individual that would be \$1,650.

The HSA can pay for more than just your medical expenses. You can also use your funds for eligible expenses at the dentist or the optometrist. Got to the [Insurance section](#) of the website to learn more about HSAs and eligible expenses.



Food for Thought...

If Dave had put about \$20 per paycheck over three years into his HSA, he would have an additional **\$1,560 in his HSA** for medical expenses. By contributing pre-tax to his HSA, Dave could have saved up to 30% in taxes or **\$468**.



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.

