Traditional PPO v Core HRA v Buy-up HSA v Base HSA plans – Teammate Only coverage

FIGURE 1

Plan	Deductible	Coinsurance	MOOP	**Maximum Claim Amount**	Cost = to MOOP	**Total member cost exposure**
Traditional PPO	$ 950	20%	$ 3,500	**$ 13,700**	$ 3,500	$6022
Core HRA	$ 2,500	20%	$ 5,000	**$ 15,000**	$ 5,000	$5826
Buy-up HSA*	$ 1,700	20%	$ 4,000	**$ 13,200**	$ 4,000	$5242
Base HSA	$ 3,500	20%	$ 7,000	**$ 21,000**	$ 7,000	$7426

We are going to take 3 examples – (1) $8k claim; (2) $20k claim, (3) $100k claim

EXAMPLE 1: Total claim cost is $8000

Key assumptions:

1) *1 person on the plan drives the cost and experiences claims.*
2) *Health Reimbursement Account contributions from DSG ($500), Buy-up plan Health Savings Account contributions from DSG ($500), or Base plan Health Savings Account contributions from DSG ($250) would be applied as a reduction to the total cost.*

Plan	**Annual Premium**	**Deductible** (this amount would be paid first)	**Co-insurance** (20% for all plans once the deductible is met)	**Maximum Out-of-Pocket (MOOP)**	**DSG Fund Contribution**	**Total cost**
Traditional PPO	$2522	$950	$7050 ($8000 - $950) * 20% = $1410	$3500 – you will have met $2360 of your MOOP	$0	($2522 + $2360) = **$4882**
Core HRA	$1326	$2500	$5500 ($8000 - $2500) * 20% = $1100	$5000 – you will have met $3600 of your MOOP	$500	($1326 + $3600) - $500 HRA = **$4426**
Buy-up HSA	$1742	$1700	$6300 ($8000 - $1700) * 20% = $1260	$4,000 – you will have met $2960 of your MOOP	$500	($1742 + $2960) - $500 HSA = **$4202**
Base HSA	$676	$3500	$4500 ($8000 - $3500) * 20% = $900	$7000 – you will have met $4400 of your MOOP	$250	($676 + $4400) - $250 HSA = **$4826**

EXAMPLE 2: Total claim cost is $20,000

Key assumptions:

1) *1 person on the plan drives the cost and experiences claims.*
2) *Health Reimbursement Account contributions from DSG ($500), Buy-up plan Health Savings Account contributions from DSG ($500), or Base plan Health Savings Account contributions from DSG ($250) would be applied as a reduction to the total cost.*

Please note: If the maximum out-of-pocket (MOOP) is satisfied, as it is in Traditional PPO and Core HRA, it can be assumed that this will be the case for any claim $20k or more for these two plans

Plan	**Annual Premium**	**Deductible** (this amount would be paid first)	**Co-insurance** (20% for all plans once the deductible is met)	**Maximum Out-of-Pocket (MOOP)**	**DSG Fund Contribution**	**Total cost**
Traditional PPO	$2522	$950	$19,050 ($20000 - $950) * 20% = $3810 Based on having a $3500 MOOP, you are capped at $2550	$3500 – **you have met your individual MOOP**	$0	($2522 + $3500) = **$6022**
Core HRA	$1326	$2500	$17,500 ($20,000 - $2500) * 20% = $3500 Based on having a $5,000 MOOP, you are capped at $2500	$5000 – **you have met your individual MOOP**	$500	($1326 + $5000) - $500 HRA = **$5826**
Buy-up HSA	$1742	$1700	$18,300 ($20,000 - $1700) * 20% = $3660 Based on having a $4,000 MOOP, you are capped at $2300	$4,000 – **you will have met your individual MOOP**	$500	($1742 + $4000) - $500 HSA = **$5242**
Base HSA	$676	$3500	$16,500 ($20,000 - $3500) * 20% = $3,300	$7000 – you will have met $6,800 of your individual, embedded MOOP	$250	($676 + $6800) - $250 HSA = **$7226**

EXAMPLE 3: Total claim cost is $100,000

Key assumptions:

1) *1 person on the plan drives the cost and experiences claims.*
2) *Health Reimbursement Account contributions from DSG ($1000), Buy-up plan Health Savings Account contributions from DSG ($1000), or Base plan Health Savings Account contributions from DSG ($500) would be applied as a reduction to the total cost.*

<u>Please note</u>: MOOP is satisfied in this scenario for all 4 plans. The last column indicates the dollar amount of claims to reach the MOOP. This shows the "Total member cost exposure", as indicated on Figure 1.

Plan	**Annual Premium**	**Deductible** (this amount would be paid first)	**Co-insurance** (20% for all plans once the deductible is met)	**Maximum Out-of-Pocket (MOOP)**	**DSG Fund Contribution**	**Total cost**
Traditional PPO	$2522	$950	$99,050 ($100,000 - $950) * 20% = $19,810 Based on having a $3500 MOOP, you are capped at $2550	$3500 – **you have met your individual MOOP**	$0	($2522 + $3500) = **$5970**
Core HRA	$1326	$2500	$97,500 ($100,000 - $2500) * 20% = $19,500 Based on having a $5,000 MOOP, you are capped at $2500	$5000 – **you have met your individual MOOP**	$500	($1326 + $5000) -$500 HRA = **$5800**
Buy-up HSA	$1742	$1700	$98,300 ($100,000 - $1700) * 20% = $19,660 Based on having a $4,000 MOOP, you are capped at $2300	$4,000 – **you have met your individual MOOP**	$500	($1742 + $4000) - $500 HSA = **$5242**
Base HSA	$676	$3500	$96,500 ($100,000 - $3500) * 20% = $19,300 Based on having a $7,000 MOOP, you are capped at $3,500	$7000 – – **you have met your individual MOOP**	$250	($676 + $7000) - $250 HSA = **$7426**