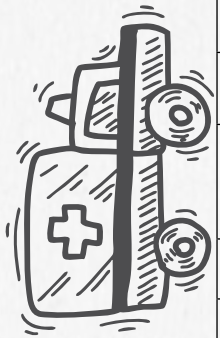


# Activity 1

## COMPARING HEALTH PLANS



Many companies offer their employees a choice of health care plans that vary in upfront costs and coverage. One may have a higher premium but a lower deductible, while another has a lower premium but less coverage overall, or even coverage only for certain types of medical care. Each employee has to weigh their own needs against the options presented by each plan and choose the one that minimizes their costs while maximizing their coverage. Risk needs to be considered, as well — you may be healthy today, but what are the chances of illness or hospitalization in the future? Practice selecting the best health plan by reading through the two plans outlined in this chart. Then answer the questions below.



	PLAN A	PLAN B
Monthly Premium	Single: \$70.44 Family: \$472.61	Single: \$209.26 Family: \$945.98
Deductible	Single: \$1,500 Family: \$3,000	<ul style="list-style-type: none"> <li>• In-Network: \$0</li> <li>• Out-of-Network: \$500 Single/\$1,000 Family</li> </ul>
Health Reimbursement Account (HRA)	Company reimburses the first half of your deductible, so you will only be responsible for the second half	Not available
Coinsurance (what you pay)	\$0	<ul style="list-style-type: none"> <li>• In-Network: \$0</li> <li>• Out-of-Network: 20%</li> </ul>
Out-of-Pocket Maximum	<ul style="list-style-type: none"> <li>• In-Network: \$5,000 Single/\$10,000 Family</li> <li>• Out-of-Network: \$10,000 Single/\$20,000 Family</li> </ul>	Single: \$5,000 Family: \$10,000
Preventive Care — child well visits, 1 routine annual exam per year	In-Network covered 100%, no deductible	In-Network covered 100%
Specialist Care	In-Network covered 100% once deductible is met	In-Network covered 100%
Pharmacy	In-Network: \$20 copay	In-Network: 20% copay
Emergency Room Visits	In-Network: \$20 copay	In-Network: 20% copay
Out-of-Network Coverage for all categories	70% (you pay 30%)	80% (you pay 20%)

**Scenario 1:** You are single and in relatively good health.

1. You don't take any regular medications, and besides your routine annual check-ups, rarely visit the doctor. Which plan would you choose? Why?

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2. You take medication that costs \$28 per month without insurance. How much would you expect to pay over the course of one year under each plan?

• Plan A: \$ \_\_\_\_\_ • Plan B: \$ \_\_\_\_\_

3. Imagine you fall ill and have \$4,000 in medical bills this year for in-network, non-emergency room medical services. Approximately how much could you expect to pay for healthcare this year under each plan? (Remember to include your premiums.)

• Plan A: \$ \_\_\_\_\_ • Plan B: \$ \_\_\_\_\_

**Scenario 2:** Imagine that you are married and have 2 children, and will be including both your spouse and your kids in your healthcare plan.

4. How much will the premium for each plan cost you per year?

• Plan A: \$ \_\_\_\_\_ • Plan B: \$ \_\_\_\_\_

5. Last year, your spouse needed surgery that would have cost \$30,000 if it were not covered by insurance. How much would you have paid for this surgery under each plan if the medical providers were all in-network?

• Plan A: \$ \_\_\_\_\_ • Plan B: \$ \_\_\_\_\_

6. Your child has a medical condition that requires weekly visits to a specialist who is out-of-network and charges \$230 per visit. In addition, your child needs 4 medications that cost a total of \$1,000 per month at an in-network pharmacy (if purchased without insurance). What would be your annual costs under each plan? Remember, your out-of-pocket payments to the specialist count toward your deductible.

• Plan A: \$ \_\_\_\_\_ • Plan B: \$ \_\_\_\_\_