

# Understanding Health Plan Deductible Costs

## Health Maintenance Organization (HMO) Deductible Example:

Jacob receives services on February 18, 2021 for a benefit that is covered 100% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to the HMO carrier for an allowed amount of \$550. Because the HMO deductible (\$125 per individual/\$250 per family) is reinstated for the BOE Part 2 coverage period, the HMO carrier will issue payment to the provider for \$425 and the provider will send a bill to Jacob for his member cost share of \$125.

## State Health Plan PPO Deductible Example:

Jacob receives services on February 18, 2021 for a benefit that is covered 90% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to BCBSM for an allowed amount of \$550. BCBSM will subtract the deductible (\$400) from the allowed amount and send payment to the provider for 90% of the remaining balance (\$135). The provider will send a bill to Jacob for his member cost share of \$415 (\$400 deductible + 10% coinsurance of \$15 on the \$150 balance).

## State High Deductible Health Plan\* with HSA\* Example:

Jacob received a \$750 annual employer contribution into his HSA with his first paycheck of 2021.\*\* He receives services on February 18, 2021 for a benefit that is covered 80% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to BCBSM for an allowed amount of \$550. Jacob has not accrued any medical expenses yet for 2021 towards his \$1,500 deductible. BCBSM will not make any payment to the provider since the balance of the bill is less than the deductible amount. The provider will send a bill to Jacob for his member cost share of \$550. Jacob issues payment to the provider for \$550 from the HSA that was opened with his State HDHP enrollment.

\*MSPTA-represented (T01) employees and Other Eligible Adult Individuals (OEAI)s and their dependents are not eligible for this benefit.

\*\*Additional employee elected contributions can be deposited after the HSA is active.