

HEALTH INSURANCE PLAN COMPARISON SCENARIOS

You have several health insurance coverage options offered by the State, which include the State Health Plan (SHP) PPO, several HMOs and the new State High Deductible Health Plan (HDHP) with Health Savings Account (HSA) so you can choose what's best for your personal situation. As you think through your decision, be sure to consider your total costs — both the upfront premiums you pay to have coverage and what you spend out of pocket as you receive care. A good place to start is to review a few real-life scenarios. Amy is single with relatively low health care needs, while Susan and her family have added expenses from an accidental injury. John and Joan are married and have high medical expenses as a result of a major health event and a chronic condition. While these scenarios may not exactly match your situation, they provide a general idea of how total employee costs compare for different levels of health care needs under different health insurance plan options available.

Meet Amy.

Amy is single and only needs health insurance coverage for herself. She is healthy overall and has low health care needs.

Total Costs

Amy will pay **\$1,988** per year in total costs if she enrolls in the SHP PPO, **\$800** if she chooses the new State HDHP, or between **\$1,226 - \$2,109*** (depending on the HMO carrier) if she decides on HMO coverage.

You might relate to Amy if:

- You are in **good health**
- You need **coverage only for yourself**
- You use **minimal care services** during the year
- You need **only a couple of prescriptions**

Health Care Services

Under all the plan options, Amy will have no costs for her one preventive annual physical visit. In addition, she will visit her Primary Care Physician (PCP) once and receive laboratory services which will generate \$600 in non-preventive medical costs. She will also fill two generic prescriptions.



See how it all adds up...

	Amy's annual premium from paycheck	Amy's out-of-pocket expenses					HSA dollars from State of Michigan to offset costs	=	Amy's total annual costs		
		Deductible	Copays	Coinsurance							
PPO	\$1,528	+	\$400	+	\$40	+	\$20	—	N/A	=	\$1,988
HDHP	\$780	+	\$700	+	\$70	+	\$0	—	\$750	=	\$800
HMO	\$1,061 - \$1,944	+	\$125	+	\$40	+	N/A	—	N/A	=	\$1,226 - \$2,109

The State HDHP is the most cost-effective plan for Amy. She saves **\$1,188** compared to the PPO and **\$426 - \$1,309*** (depending on the carrier) compared to the HMOs.

* HMO premiums vary by plan carrier; the amounts shown represents the range between the lowest and highest cost HMOs for 2021.

These examples are for illustrative purposes only. They do not relate to any specific plan participants and may not be representative of the costs you would experience under the plan.

Get to know Susan and her family.

Susan is married and needs coverage for her family. While they are all in very good health, Susan's husband had quite a fall and broke his leg (resulting in an admission to the hospital for surgery). Susan is also managing a chronic condition and needed an MRI.



Total Costs

To cover her family's total expenses, Susan will pay **\$6,905** per year in total costs if she enrolls in the SHP PPO, **\$5,842** if she chooses the new State HDHP, or between **\$4,034 - \$6,682*** (depending on the HMO carrier) if she decides on HMO coverage.

You might relate to Susan if:

- You need **coverage for your entire family**
- Your family members are in relatively **good health, with average health care needs**
- You need **several maintenance prescriptions** (some generic and some brand name) throughout the year

Health Care Services

Under all the options, Susan and her family will have no costs for in-network preventive annual physicals and immunizations. The family also sees their PCP four times throughout the year. Susan's husband's leg break required surgery and hospitalization, which results in \$8,400 in non-preventive medical costs. Susan's MRI results in a \$1,600 non-preventive medical cost. Susan visited a specialist two times as she continued to manage her chronic condition. The family also needed 24 generic prescriptions and 8 preferred brand formulary prescriptions assumed to be filled at a retail pharmacy.

See how it all adds up...

	Susan's annual premium from paycheck	Susan's out-of-pocket expenses					HSA dollars from State of Michigan to offset costs	=	Susan's total annual costs
		Deductible	Copays	Coinsurance					
PPO	\$4,585	+ \$800	+ \$600	+ \$920	—	N/A	=	\$6,905	
HDHP	\$2,342	+ \$3,000	+ \$480	+ \$1,520	—	\$1,500	=	\$5,842	
HMO	\$3,184 - \$5,832	+ \$250	+ \$600	+ N/A	—	N/A	=	\$4,034 - \$6,682	

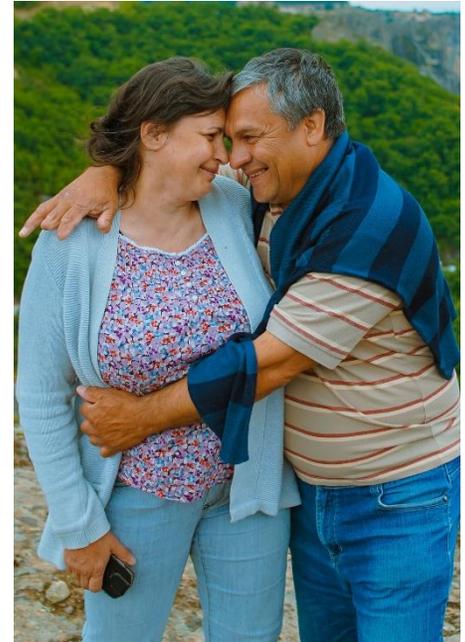
The lowest cost HMO is the most cost-effective plan for Susan and her family, but some of the other HMOs may not be as cost effective*. She saves **\$2,871** compared to the SHP PPO and **\$1,808** compared to the State HDHP.

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Say hello to John and Joan.

John is married and needs coverage for himself and his wife, Joan. John recently experienced a heart attack and required hospitalization (resulting in significant health care). Joan manages Type II Diabetes and required hospitalization as well.



Total Costs

To cover their total expenses, John will pay **\$7,438** per year in total costs if he enrolls in the SHP PPO, **\$8,257** if he chooses the new State HDHP, or between **\$4,038 - \$6,024*** (depending on the HMO carrier) if he decides on HMO coverage.

You might relate to John if:

- You or a member of your family has a **chronic condition**
- You or a member of your family **require a high level of medical services, including prescriptions**

Health Care Services

Under all the options, John and Joan will have no costs for their in-network preventive annual physicals. In addition, John and Joan visit their PCP six times and have four specialist office visits. John's heart attack requires heart surgery and hospitalization resulting in \$25,000 in non-preventive medical costs. Joan's diabetes also leads to some hospitalization, resulting in \$10,000 in non-preventive medical costs. John and Joan take 48 generic prescriptions and 24 brand formulary prescriptions throughout the year assumed to be filled at a retail pharmacy.

See how it all adds up...

	John's annual premium from paycheck	John's out-of-pocket expenses					HSA dollars from State of Michigan to offset costs	=	John's total annual costs		
		Deductible	Copays	Coinsurance							
PPO	\$3,438	+	\$800	+	\$0	+	\$3,200	-	N/A	=	\$7,438
HDHP	\$1,757	+	\$3,000	+	\$600	+	\$4,400	-	\$1,500	=	\$8,257
HMO	\$2,388 - \$4,374	+	\$250	+	\$1,400	+	N/A	-	N/A	=	\$4,038 - \$6,024

Any of the HMOs are the most cost-effective plans for John and Joan. They save **\$1,414 - \$3,400*** (depending on the HMO carrier) compared to the SHP PPO and **\$2,233 - \$4,219*** (depending on the HMO carrier) compared to the State HDHP.

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