

# Understanding State Health Plan PPO Costs

## Example of Deductibles, Co-Insurance, and Out-of-Pocket Max

### Example 1: Total Cost of an In-Network X-Ray



A State employee and her family are enrolled in the State Health Plan PPO. When the plan year\* started, the employee received an X-ray. According to the plan, this is an after-deductible service with a co-insurance of 10%. What would she pay for this service?

#### Employee Cost

**\$400** - Annual Individual Deductible + **10%** Co-Insurance

#### Plan Cost

**90%** of the remaining cost after the annual individual deductible is met.

**Note:** If an employee's spouse or dependent never receive deductible-applicable services during the plan year, only the individual deductible of \$400 would need to be met. The same is true if a dependent or spouse seeks deductible-applicable services and the employee does not; only the individual deductible would apply.

### Example 2: Total Cost of an In-Network Surgery



The same State employee's spouse needed surgery shortly after. According to the plan, surgery (in-network) is an after-deductible service with a co-insurance of 10%. What would they pay for this service?

#### Employee Cost

**\$800** - Annual Family Deductible + **10%** Co-Insurance

#### Plan Cost

**90%** of the remaining cost after the annual individual deductible is met.

**Note:** If a spouse (or dependent) was the only individual to receive deductible-applicable services during the plan year, only the annual individual deductible of \$400 would need to be met. In this case, since both the employee and spouse received deductible-applicable services, the entire \$800 family deductible would need to be met before the plan paid for the spouse's surgery.

### Example 3: Total Cost of an In-Network Surgery



During the plan year, the same State employee has paid the \$2,000 out-of-pocket annual maximum for her **individual** deductibles, co-insurance, and prescription copays and now needs a surgery. What would she pay for this service?

**\$0**

Employee Cost

#### Plan Cost

**100%** The plan will pay the total approved amount for this surgery as she paid the annual maximum amount for out-of-pocket expenses for the plan year.

\*Deductible amounts for the State Health Plan PPO renew annually each January.

**Note:** Any amount you accumulate toward your in-network deductible for dates of service during the fourth quarter of each year (October through December) will carry over and be applied to your in-network deductible the following year. This carryover does not apply to the following year's out-of-pocket maximum.

# How Do HMO Costs Work?

## Example of Deductibles and Out-of-Pocket Max

(HMOs do not carry co-insurance)



### Example 1: Total Cost of an In-Network X-Ray

A State employee and her family are enrolled in an HMO. When the plan year\* started, the employee received an X-ray (in-network). According to the plan, this is an after-deductible service. What would she pay for this service?

#### Employee Cost

**\$125**

Annual Individual Deductible

#### Plan Cost

**100%** of the remaining cost after the annual individual deductible is met.

**Note:** If the employee's spouse or dependents never receive deductible-applicable services during the plan year, only the individual deductible of \$125 would need to be met. The same is true if a dependent or spouse seeks deductible-applicable services and the employee does not; only the individual annual deductible would apply.



### Example 2: Total Cost of an In-Network Surgery

The same State employee's spouse needed surgery shortly after. According to the plan, surgery (in-network) is an after-deductible service. What would they pay for this service?

#### Employee Cost

**\$250**

Annual Family Deductible

#### Plan Cost

**100%** of the remaining cost after the annual family deductible is met.

**Note:** If a spouse (or dependent) was the only individual to receive deductible-applicable services during the plan year, only the annual individual deductible of \$125 would need to be met. In this case, as both the employee and spouse received deductible-applicable services, the entire \$250 annual family deductible would need to be met before the plan paid for services.



### Example 3: Total Cost of an In-Network Surgery

During the plan year, the same State employee has paid the \$2,000 out-of-pocket annual maximum for her **individual** deductibles and prescription copays and now needs a surgery. What would she pay for this service?

#### Employee Cost

**\$0**

#### Plan Cost

**100%** The plan will pay the total approved amount for this surgery as she paid the annual maximum amount for out-of-pocket expenses for the plan year.

\*Deductible amounts for HMOs renew annually each October.