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Having a Baby and Choosing a UVA Health Plan Option
Daniel Troyer, UVA HR Benefits Counselor

TRANSCRIPT

[Music]

Hello! My name is Danial Troyer, and I am one of the benefits counselors here at the University. This year I am having my first child, and so I am wanting to talk about how I make decisions on my health insurance when I'm looking at a big life event such as having a child. The first thing that I would do is actually go to the Health Plan scenario webpage, and this is exactly what I did when I was making my health insurance decision for this year. I looked at the member rate for how much it would cost for my wife and then I actually looked at the newborn cost of how much it would cost for the child. And of course, these are, you know, depending on the situation, you might have different costs.

But in a normal birth scenario, which is what I'm hoping that my wife has, then this is kind of what you can expect, or what you may be able to expect. So, the member rate is \$10,000, roughly, up to \$10,500, and then the Aetna member rate for the newborn is around \$7,500, plus or minus. And obviously, these are estimates, so it's just this is what I have to go off of, since this is my first kid. So then, I look at the premiums for the three different plans and the three different plans have quite large sways in premiums, between \$1,000, or roughly a thousand dollars in Basic, \$3,500 [roughly] in Value and \$9,300 [roughly] in Choice.

So first off, I'm throwing Choice out the window because the premiums on that are quite expensive, and wanting to make sure that I do not pay too much premium to offset the benefit that I'm actually getting in here. And then, you look at the difference between Basic and Value. So, on the Basic plan, you have the \$1,000, roughly, of premiums per year, and then you actually get \$1,500 of HSA money given to you for the year as well.

So, if you have a \$4,000 deductible and a \$1,000 of Basic premiums, you're looking at \$5,000 of costs before, or assuming you're hitting your deductible, which, at \$10,000 of spending for my wife, we definitely would. And then you can take, so that's \$5,000 minus the \$1,500 for the HSA money, and you're looking at roughly \$3,500 of spending, before you even hit coinsurance. And then on the Value plan, you have \$3,500 of premium expenses, and then \$800 deductible for my wife, \$800 deductible for the baby, and that's not even saying that I have any types of spending in that given year.

So, between the two, then you're looking at the difference between \$3,500 of spending on Basic, vs. \$3,500 of premium plus your deductible on the Value plan. Now, if I had prescription expenses in my life, I would end up thinking about that a little more as well, but when I'm

looking at those two numbers and you're hitting 20% co-insurance either way after you hit your deductible, then I'm probably going to lean toward Basic in this situation, because I know that I'm going to have a lot of spending and that that HSA funding can actually help me pay for that in the year, and that I can fund that via my payroll deductions.

So, if you're hitting 20% on your co-insurance between both of the Basic and the Value plan after you hit your deductible, then the Basic and the Value plan are going to be fairly similar once you actually hit your deductible. And so, in this instance, I think that my family could save a little money by ending up going on the Basic plan.

And then if we actually wanted to fund our HSA and get some tax savings on those dollars, we could do that as well for even more savings. Let's say, if we wanted to end up putting in \$4,000 to cover that deductible, then we would save taxes on that \$4,000. You could even do more on a family, and in our situation, I would probably do a little more because I know that we are going to go a little past that deductible and into some more money and make sure that we actually have tax savings on that.

If I were to go with the Value plan, then I would definitely look at the Flexible Spending Account that you can do with the Value plan, specifically because that's another \$2,500, or \$2,500 that you could do in order to save money from taxes on these expenses. And in our situation, like I know that assuming everything goes well, my wife will be in the hospital, she'll have that \$2,500 of spending and then I can just save that money on taxes. So, that's really the way that I look at the two plans. As long as you're getting to your deductible and getting that coinsurance, both plans have 20% coinsurance, both plans have, you know, \$11,000 family out-of-pocket maximums, and then \$5,500 family, or \$5,500 individual within that family out-of-pocket maximums.

So, when you look at it that way, I think that my family could probably save some money on Basic and that's what I would end up going with in order to, you know, get insurance for this year, and make sure that I can save the most money for my family.

[Music]