



**Compare Potential Costs Between Health Plan Designs
 HDHP vs. Non-HDHP Options in the State of Wisconsin Group Health Insurance Program
 Family Coverage Comparisons**

In this guide, we'll help you compare your potential 2025 costs for the two main health plan designs: the High Deductible Health Plan (HDHP) and IYC Health Plan (non-HDHP). We've used anonymized data on recent health care costs in the Group Health Insurance Program and how it relates to characteristics like age, gender, and chronic conditions to provide these estimates.

If you are not familiar with the HDHP option, we encourage you to first watch Professor Sydnor's overview video on our project website.

Basic overview of the plan design options: Before you look at the cost projections, it may be helpful to remind yourself of some of the basics when electing health insurance. There are two decisions to make: a) a decision about which health plan you want to have, which affects the doctors and hospitals that are in-network for you and b) a decision between the High Deductible Health Plan (HDHP) design and the IYC Health Plan design (non-HDHP). **This cost-comparison pamphlet is focused on the choice of HDHP vs. IYC Health Plan (non-HDHP). Please refer to the Department of Employee Trust Fund's [Insurance Benefits Decision Guide](#) for more information on the other aspects of plan choice.**

	IYC Health Plan (non-HDHP)	High Deductible Health Plan (HDHP)
Monthly premiums you pay from your paychecks (with Uniform Dental coverage)	\$307	\$114
Annual family medical deductible	\$500	\$3,300
Annual family medical out-of-pocket limit	\$2,500	\$5,000
Annual family prescription drug deductible	None	Combined with medical (\$3,300 for medical + prescription)
Annual family prescription drug out-of-pocket limit	\$1,200 level 1 & 2 drugs; \$18,400 level 3 & 4 drugs	Combined with medical (\$5,000 for medical + prescription)
Paired with health savings account (HSA)?	No	Yes
Annual amount your employer contributes to your HSA	Not applicable	\$1,650

Ok, now let's help you look at some cost projections between these two plan-design options.

Step 1: Identify Your Likely Risk Group

We've grouped state employees into five categories, from those with the lowest expected costs to those with the highest. Based on your family's characteristics, such as the number of family members, oldest family member's age, and chronic health conditions (like asthma, diabetes, or high blood pressure), we've estimated the likely risk group your family may fall into. These groups range from **Risk Group 1** (the healthiest 20% with the lowest expected health care costs) to **Risk Group 5** (the highest-risk 20% with the greatest expected costs).

To find your likely risk group: pick the row that fits your situation for a) the number of family members, and whether or not you or your family member b) is older than 48 or c) has a chronic health condition (specifically, diabetes, high blood pressure, and/or asthma). The table shows the average risk level for people in your family's situation, but you should feel free to also look at the projections in the next section for higher or lower risk levels.

Risk Table for Family Coverage (Smaller Family Size)

Number of family members	Does any family member have a chronic condition?	What is your oldest family member's age?	Average Risk Level
2	No	47 or younger	1
2	Yes	47 or younger	2
2	No	48 or older	3
2	Yes	48 or older	4
3	No	47 or younger	2
3	Yes	47 or younger	3
3	No	48 or older	3
3	Yes	48 or older	4

Risk Table for Family Coverage (Larger Family Size)

Number of family members	Does any family member have a chronic condition?	What is your oldest family member's age?	Average Risk Level
4	No	47 or younger	3
4	Yes	47 or younger	3
4	No	48 or older	4
4	Yes	48 or older	4
5	No	47 or younger	3
5	Yes	47 or younger	4
5	No	48 or older	4
5	Yes	48 or older	5

Step 2: Explore Potential Health Care Costs Under Each Plan Design

The following pages show detailed projections of possible total costs for each risk level. These projections account for premiums, possible out-of-pocket health costs, and if you choose the HDHP, your employer's contribution to your family's Health Savings Account (HSA).

Risk Level 1 - Potential Health Care Cost with each Plan for Family Coverage

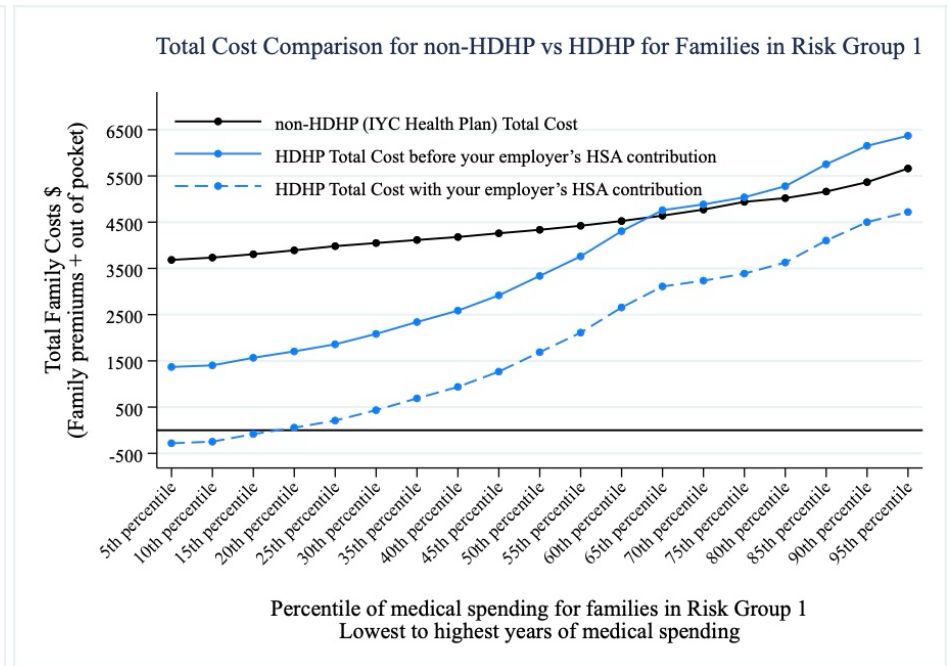
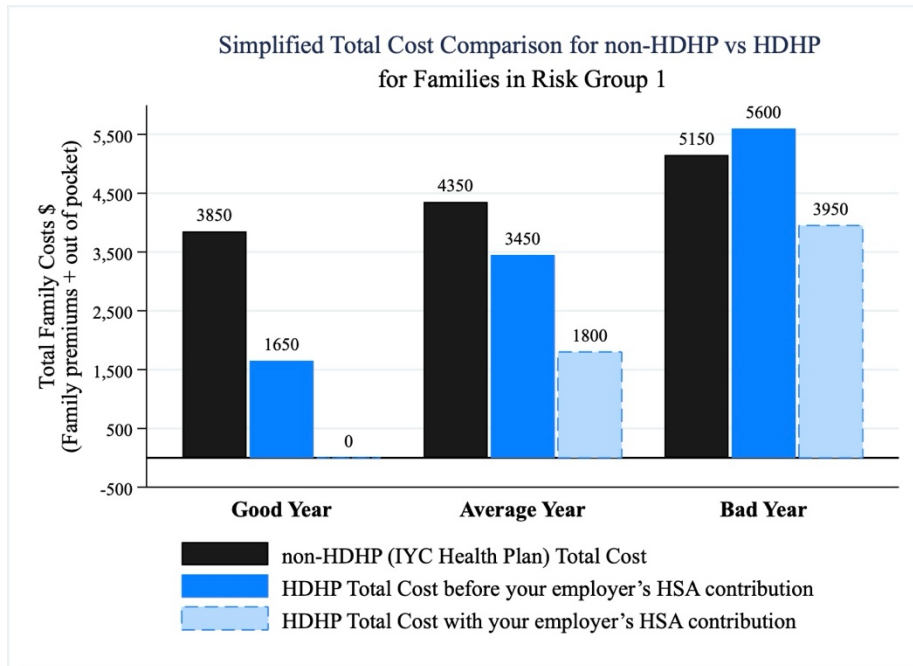
Average spending for individuals in this risk level:

- With IYC Health Plan (non-HDHP): \$620 out of pocket + \$3,684 premiums = \$4,304
- With HDHP: \$1,380 out of pocket + \$1,368 premiums = \$2,748

Including your employer’s HSA contribution of \$1,650, families in this risk level are estimated to save on average \$3,206 per year with the HSA.

Projections of possible spending levels: Using historical data we can project how costs would compare between the two plan designs. In the first graph (left) we show a simple break down with “good years” defined as years with the lowest 30% of medical costs, “average years” as the middle 40%, and “bad years” as the years with the highest 30%. The graph shows the average total costs (out of pocket + premiums) in each of these years. The lighter blue box with the dashed border shows the average for the HDHP plan after subtracting your employer’s HSA contribution.

The second graph offers a more detailed view of the different possibilities for how much your family might have to pay depending on the plan you choose. It again shows total costs, and a higher line means higher costs for your family that year. Families in Risk Level 1 are equally likely to end up anywhere on these lines, with about 5% of people landing at each dot along the line.



Risk Level 2 - Potential Health Care Cost with each Plan for Family Coverage

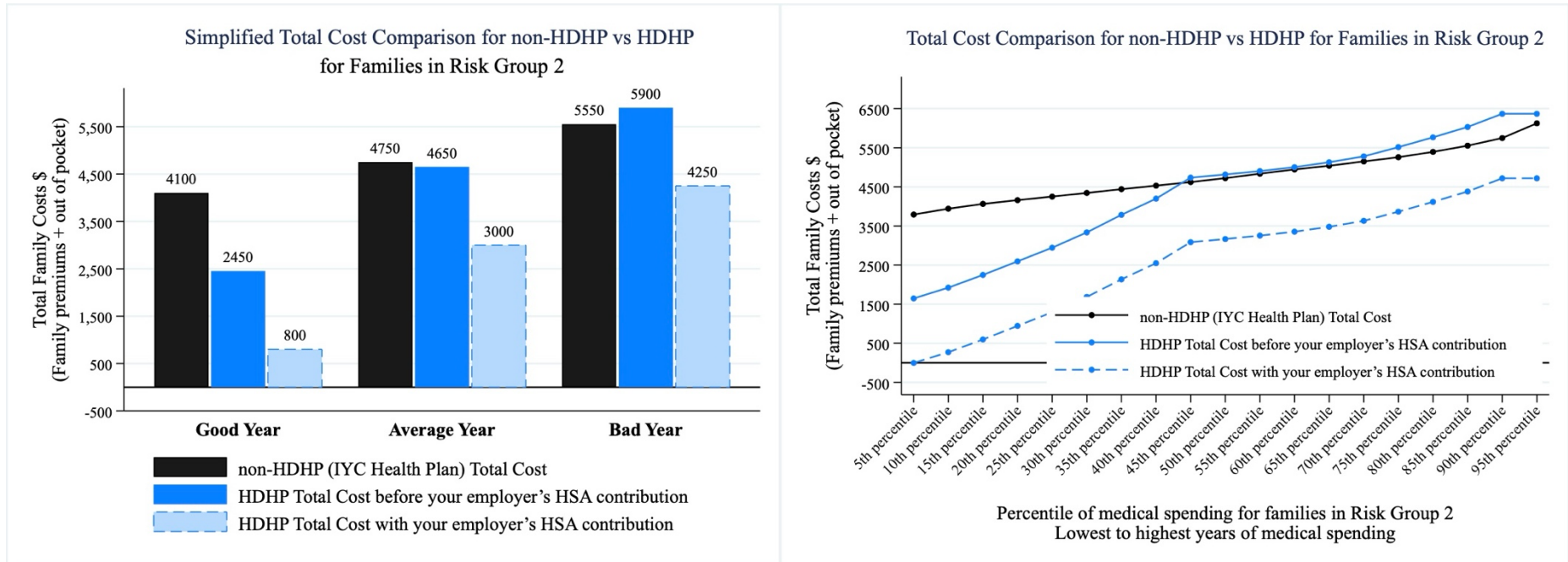
Average spending for individuals in this risk level:

- With IYC Health Plan (non-HDHP): \$870 out of pocket + \$3,684 premiums = \$4,554
- With HDHP: \$1,860 out of pocket + \$1,368 premiums = \$3,228

Including the State of WI HSA contribution of \$1,650, families in this risk level are estimated to save on average \$2,976 per year with the HSA.

Projections of possible spending levels: Using historical data we can project how costs would compare between the two plan designs. In the first graph (left) we show a simple break down with “good years” defined as years with the lowest 30% of medical costs, “average years” as the middle 40%, and “bad years” as the years with the highest 30%. The graph shows the average total costs (out of pocket + premiums) in each of these years. The lighter blue box with the dashed border shows the average for the HDHP plan after subtracting your employer’s HSA contribution.

The second graph offers a more detailed view of the different possibilities for how much your family might have to pay depending on the plan you choose. It again shows total costs, and a higher line means higher costs for your family that year. Families in Risk Level 2 are equally likely to end up anywhere on these lines, with about 5% of people landing at each dot along the line.



Risk Level 3 - Potential Health Care Cost with each Plan for Family Coverage

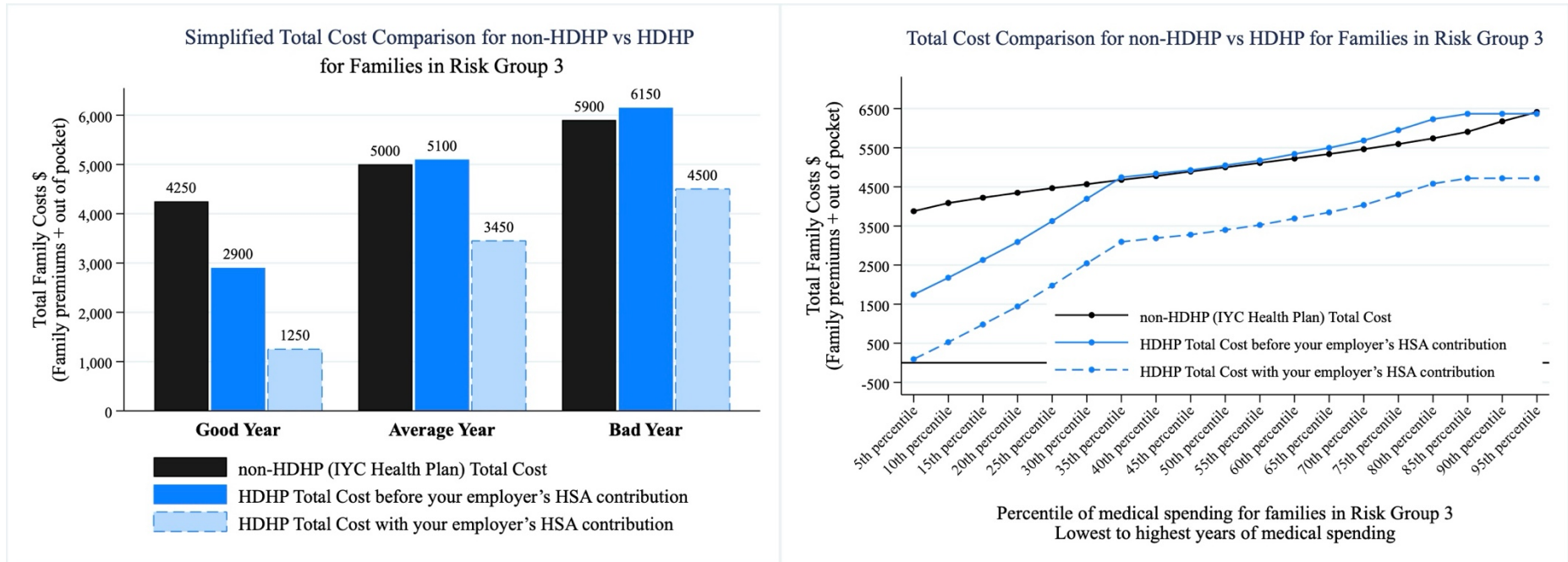
Average spending for individuals in this risk level:

- With IYC Health Plan (non-HDHP): \$1,090 out of pocket + \$3,684 premiums = \$4,774
- With HDHP: \$2,410 out of pocket + \$1,368 premiums = \$3,778

Including the State of WI HSA contribution of \$1,650, families in this risk level are estimated to save on average \$2,646 per year with the HSA.

Projections of possible spending levels: Using historical data we can project how costs would compare between the two plan designs. In the first graph (left) we show a simple break down with “good years” defined as years with the lowest 30% of medical costs, “average years” as the middle 40%, and “bad years” as the years with the highest 30%. The graph shows the average total costs (out of pocket + premiums) in each of these years. The lighter blue box with the dashed border shows the average for the HDHP plan after subtracting your employer’s HSA contribution.

The second graph offers a more detailed view of the different possibilities for how much your family might have to pay depending on the plan you choose. It again shows total costs, and a higher line means higher costs for your family that year. Families in Risk Level 3 are equally likely to end up anywhere on these lines, with about 5% of people landing at each dot along the line.



Risk Level 4 - Potential Health Care Cost with each Plan for Family Coverage

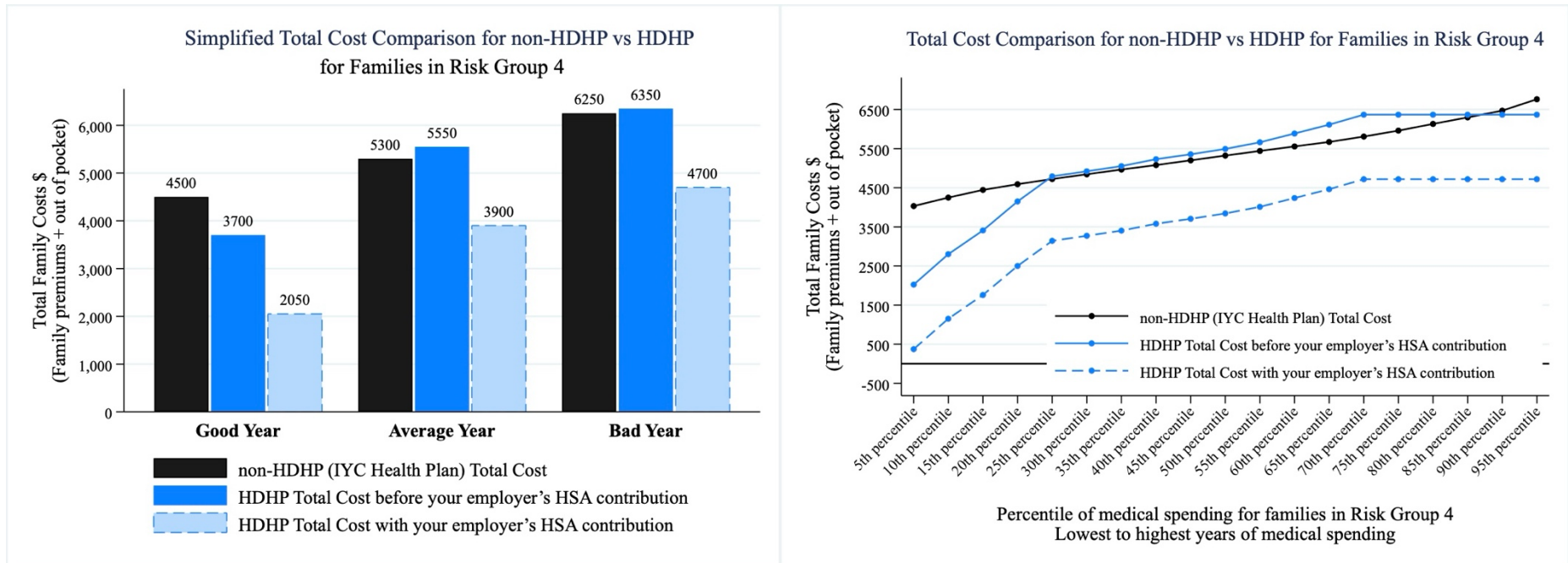
Average spending for individuals in this risk level:

- With IYC Health Plan (non-HDHP): \$1,320 out of pocket + \$3,684 premiums = \$5,004
- With HDHP: \$2,920 out of pocket + \$1,368 premiums = \$4,288

Including the State of WI HSA contribution of \$1,650, families in this risk level are estimated to save on average \$2,366 per year with the HSA.

Projections of possible spending levels: Using historical data we can project how costs would compare between the two plan designs. In the first graph (left) we show a simple break down with “good years” defined as years with the lowest 30% of medical costs, “average years” as the middle 40%, and “bad years” as the years with the highest 30%. The graph shows the average total costs (out of pocket + premiums) in each of these years. The lighter blue box with the dashed border shows the average for the HDHP plan after subtracting your employer’s HSA contribution.

The second graph offers a more detailed view of the different possibilities for how much your family might have to pay depending on the plan you choose. It again shows total costs, and a higher line means higher costs for your family that year. Families in Risk Level 4 are equally likely to end up anywhere on these lines, with about 5% of people landing at each dot along the line.



Risk Level 5 - Potential Health Care Cost with each Plan for Family Coverage

Average spending for individuals in this risk level:

- With IYC Health Plan (non-HDHP): \$1,850 out of pocket + \$3,684 premiums = \$5,534
- With HDHP: \$3,630 out of pocket + \$1,368 premiums = \$4,998

Including the State of WI HSA contribution of \$1,650, families in this risk level are estimated to save on average \$2,186 per year with the HSA.

Projections of possible spending levels: Using historical data we can project how costs would compare between the two plan designs. In the first graph (left) we show a simple break down with “good years” defined as years with the lowest 30% of medical costs, “average years” as the middle 40%, and “bad years” as the years with the highest 30%. The graph shows the average total costs (out of pocket + premiums) in each of these years. The lighter blue box with the dashed border shows the average for the HDHP plan after subtracting your employer’s HSA contribution.

The second graph offers a more detailed view of the different possibilities for how much your family might have to pay depending on the plan you choose. It again shows total costs, and a higher line means higher costs for your family that year. Families in Risk Level 5 are equally likely to end up anywhere on these lines, with about 5% of people landing at each dot along the line.

