

Designing Around the Family Budget

High Calendar Year Per Person Plans are not Family Friendly. Families budget per month. With Deductibles rising, most major medical events now result in debt. To make matters worse, if a person pays their deductible, they then feel a sense of entitlement to get as many services done as they can until the "insurance runs out" at the end of the year.

Up To \$2,000,000 Lifetime Maximum	All Physician Office Visits All Diagnostic & Lab Testing Urgent Care Clinics		\$20 Copay to a maximum of \$150 per visit \$20 Copay to a maximum of \$150 per visit \$50 Copay to a maximum of \$250 per visit		
	After Receiving Benefits for the Above Services	In Network		Out-of-Network	
		You Pay	The Plan Pays	You Pay	The Plan Pays
	The first \$500 of covered expenses /Family/Month	80% up to \$10,000 per family / year. 100% Thereafter	The first \$500 of covered expenses /Family/Month	50% up to \$10,000 per family / year. 100% Thereafter	

The concept to the right is called a Family Monthly Deductible... or a Family Monthly Budget plan. Instead of a Per Year Per Person Deductible, it offers a much lower Per Family Per Month Deductible. The deductible usually applies only to expensive inpatient and outpatient procedures so it is rare for the healthy person to have. On the other hand, for the sick person, they end up paying more because they are consistently spending more money.

What is a Family Monthly Deductible?

1. Works Better For Major Life Events.
2. More Budgetable for Catastrophes.
3. Makes Employees More Aware of the Real Cost of Health Care.

	\$500 Family Monthly Deductible		\$1000 Calendar Per Year Per Person	
	You Pay	Plan Pays	You Pay	Plan Pays
1. Having a Baby	\$500	80% of \$7000	\$2000	80% of \$5400
2. Car Accident	\$500	80% of \$9,500	\$1000/person	80% up to \$9000
3. Surgery	\$500	80% of \$4000	\$1000	80% of \$3500

A Family Monthly Deductible means that should any or all of your covered family members have medical bills that exceed the basic benefits just discussed, the entire families' deductible liability can be up to the next \$500 of covered medical expenses in any calendar month. Once you have met your Family Monthly Deductible of \$500, the plan pays 80% of the additional charges incurred up to \$10,000 per plan year, 100% thereafter up to two million dollars, (this means you would be responsible for 20% coinsurance until the Plan pays \$10,000 per Plan Year) when using a network provider until your family's in-network maximum out of pocket coinsurance responsibility of \$2000 per plan year is reached. If your healthcare services are provided by out-of-network providers the plan pays 50% of the additional charges (this means you would be responsible for 50% coinsurance).

1. The Family Monthly Deductible may seem a little foreign at first glance but it is actually superior in many ways to a calendar year per person deductible. For instance, with a discounted bill of \$7500 for the delivery of an ill baby, your family will only have to pay \$500 in deductible as long as the expenses are incurred within one month. On the other hand, with a calendar year, per person deductible, the mother will have to pay \$1000 and in addition the baby is now seen by most plans as another person therefore, the family will be responsible another \$1000 on the new addition to their family leaving a total out of pocket deductible exposure of \$2000.

2. The Family Monthly Deductible is also more budgetable for catastrophes. In the event of a car accident, regardless of the number of people in the car, with a \$10,000 discounted bill, the family unit only has to pay \$500 on the FMD, but with a CYD, depending on the number of people injured, deductible exposure could be as much as \$3000, which can be very difficult to budget for.

3. In the event of an anticipated surgery that will cost \$4500, the deductible exposure with an FMD is still only \$500 as compared to a higher Calendar Year Deductible. Renewing the deductible every month makes it easy to budget for both the catastrophic events and routine medical services.