



Choosing Between PPO and HDHP Medical Plans

Understanding Plan Options for Better Healthcare Decisions



Health Insurance Essential Terms

Insurance terms and language can be confusing, that's normal!

Understanding Premiums

Definition: Your premium is the amount you pay each month for your health insurance — like a subscription to your health plan.

Key Things to Know:

- You pay this bi-weekly through payroll, whether or not you use medical services.
- It's automatically deducted from your paycheck if you're enrolled in employer coverage.
- Think of it as the “base cost” of having health coverage.
- Premiums are separate from out – of – pocket medical costs

Premium ≠ Total Cost:

- A lower premium doesn't always mean the plan is cheaper overall!
- Lower-premium plans often come with higher deductibles or more out-of-pocket costs when you get care.
- Higher-premium plans may cover more upfront — especially if you expect regular doctor visits, prescriptions, or ongoing care.



Understanding Copayments

Definition: Copayments are fixed fees paid upfront at the time of service.

Key Things to Know:

- Copays are usually due at the time of service
- They don't count towards your deductible, but they do count towards your out of pocket maximum
- Copays are generally predictable costs for doctor visits.
- Copay amounts vary based on the type of visit (primary care, specialty care, urgent care, emergency care).

Understanding Coinsurance

Definition: Coinsurance is your percentage cost after meeting the deductible.

Example: 20% coinsurance means you pay 20% and insurer 80%.

Key Things to Know:

- Coinsurance only kicks in after you meet your deductible
- It continues until you hit your out of pocket maximum – after that, the plan pays 100%
- Coinsurance amounts can vary by plan and type of service
- Networks are providers contracted with your insurance plan.
- Using in-network providers reduces your out-of-pocket costs.



What is a Deductible?

Definition: Deductible is the amount paid out-of-pocket before insurance contributes.

Key Things to Know

- You pay the full cost of most services (except things like preventative care) until this amount is met.
 - Example: Your plan has a \$1,500 deductible. You have a procedure that costs \$1,200. You pay the full \$1,200. Next time you need care, you've already paid most of your deductible, so insurance starts helping pay.
- After you meet the deductible, insurance begins to pay a portion of your costs (usually through coinsurance).
- Deductibles reset each plan year.

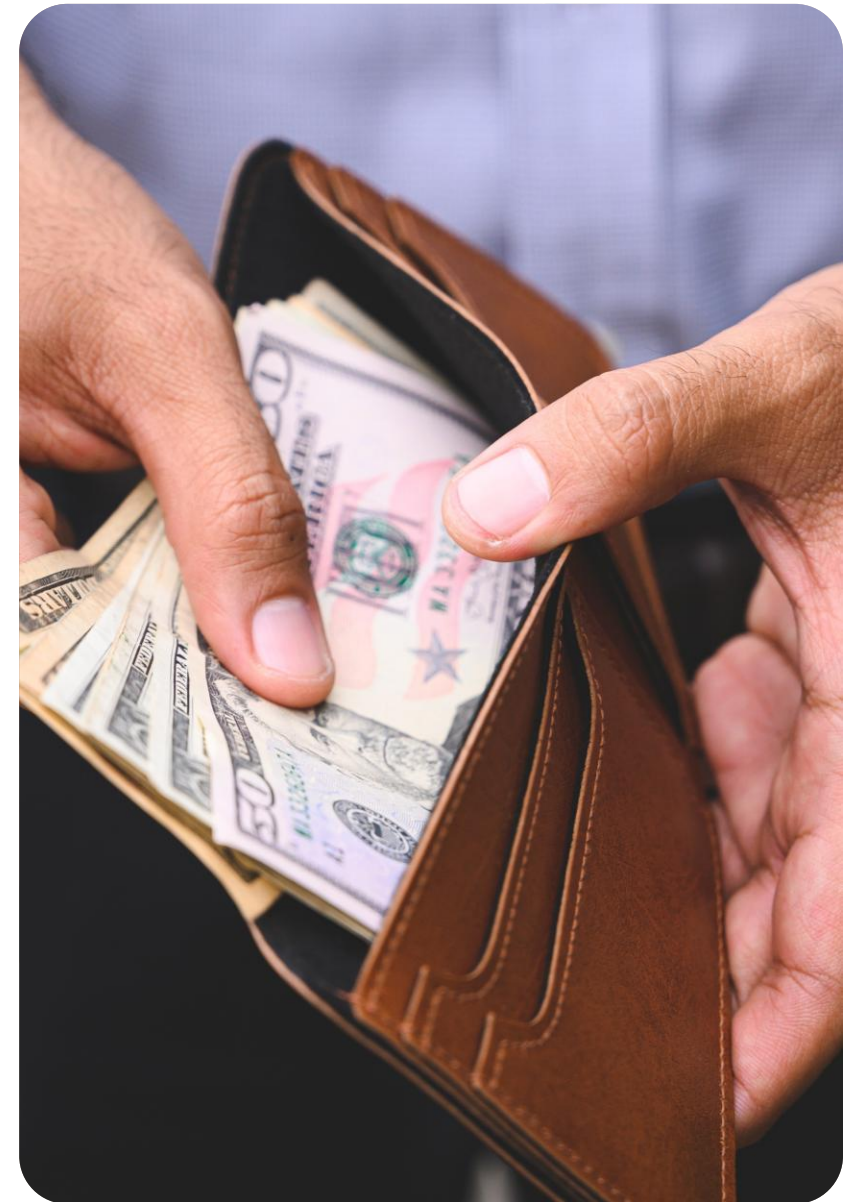
Out-of-Pocket Maximum Explained

Definition: The out-of-pocket maximum is the most you'll pay for covered medical services in a year. After that, your insurance pays 100% of covered costs.

Example: \$5,000 maximum means no more payments after that amount

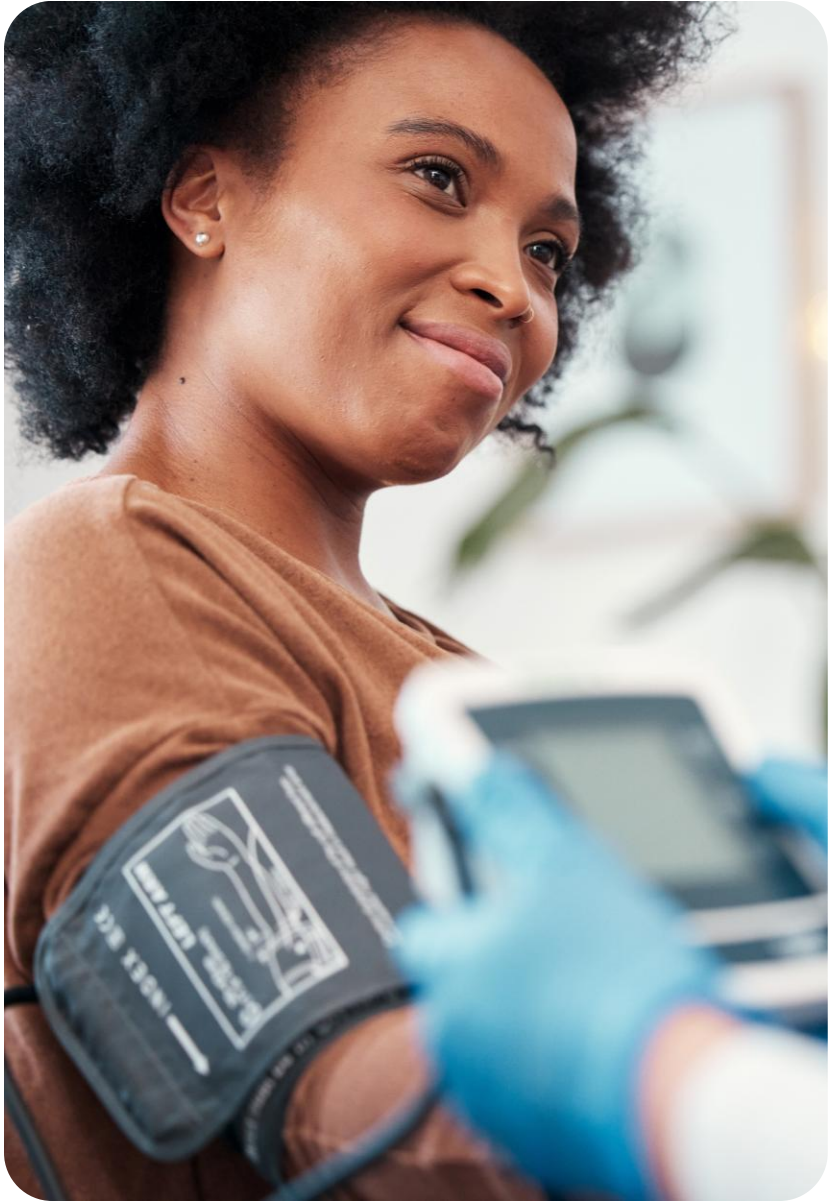
Key Things to Know:

- The OOP max protects you financially in case of a major illness, injury, or ongoing care
- Only in-network, covered services count toward it.
- Includes deductibles, copays, and coinsurance payments.



Network Types: In-Network vs. Out-of-Network

What It Means	In-Network	Out-of-Network
Who	Doctors, hospitals, and providers that have contracts with your insurance company	Providers that do not have a contract with your insurance company
Cost to You	Usually lower – discounted rates apply	Usually much higher – you pay more out of pocket
Billing	The provider handles paperwork and billing	You may have to pay upfront and submit claims yourself
Coverage	Services usually covered under your plan	Some services may not be covered at all



Understanding Preventive Care Benefits

- Preventive services include screenings and vaccinations.
- Most plans cover preventive care at no extra cost.
- Preventive care helps detect health issues early.
- For questions, on if an appointment or lab is considered preventive care, consult with UMR.



Key Considerations for Selecting a Medical Plan

Trade-offs Between Cost, Flexibility, and Coverage

Your Healthcare Needs

Do you visit the doctor often or rarely? Do you take regular prescriptions? Do you have ongoing conditions or planned procedures? Do you need family coverage?

Total Cost – Not Just Premiums

Compare the premium, out-of-pocket costs, deductibles, copays and out of pocket maximums of PPO and HDHP plans to understand financial impacts.

Flexibility of Plans

Evaluate the choice of in network providers and ease of accessing care in PPO versus HDHP plans for users.

Coverage Differences

Analyze coverage specifics including preventive care, specialist visits, and emergency services in each plan.



Understanding PPO Plans

Overview and Flexibility of PPO Plans

PPO Plan Definition

A PPO plan gives you flexibility to see any doctor or specialist – with or without a referral – and offers lower costs when you use in-network providers.

Key Features:

- Large provider network
- No referrals needed to see a specialist
- Out of network coverage available, but at a higher cost
- Usually higher monthly premiums than HDHP plans
- Good for those who want provider choice or need regular specialist care

Advantages of PPO plans

Lower Deductible Benefits

PPO plans allow you to reach your deductible faster, enabling cost-sharing benefits sooner.

Freedom to Choose Providers

You can see specialists and out-of-network providers without referrals from your Primary Care Physician.

Predictable Costs with Premiums

Higher monthly premiums offer more predictable medical costs for those with regular healthcare needs.

- **Out of Network Coverage**

You can still receive care from out of network providers (especially useful when traveling or in emergencies)

- **Easier Access to Specialists**

Direct access to specialists without waiting for a referral speeds up treatment for certain conditions

- **Flexibility for Families**

Great for families with diverse medical needs or who want multiple provider options

A stethoscope with a brown tube and silver chest piece lies on a blue surface next to a large, gold-colored dollar sign cutout.

Disadvantages of PPO Plans and HSA Eligibility

Higher Premiums

PPO plans generally require higher monthly premiums compared to High Deductible Health Plans (HDHP).

Higher Out-of-Network Costs

Using providers outside the PPO network leads to higher costs and possible balance billing charges.

Lack of HSA Eligibility

PPO plans with low deductibles are not eligible for Health Savings Accounts, limiting tax-advantaged savings options.



Understanding HDHP Plans

Overview and Cost Structure of HDHPs

Definition of HDHP

An HDHP features lower premiums but requires higher deductibles to be paid by employees.

Cost-Sharing Shift

HDHP shifts more upfront healthcare costs and cost-sharing responsibilities to the employee.

Advantages of HDHPs Including HSA Eligibility and Tax Benefits

Lower Premiums

HDHPs offer significantly lower monthly premiums compared to PPO plans, saving money upfront.

HSA Eligibility

Qualified HDHPs allow opening a Health Savings Account for tax-advantaged medical savings.

Tax Advantages

Contributions, earnings, and withdrawals from HSAs used for medical expenses are tax-free.

Rollover and Investment

Unused HSA funds roll over yearly and can be invested for future medical costs.



Disadvantages and Financial Risks of HDHPs

Higher Deductible

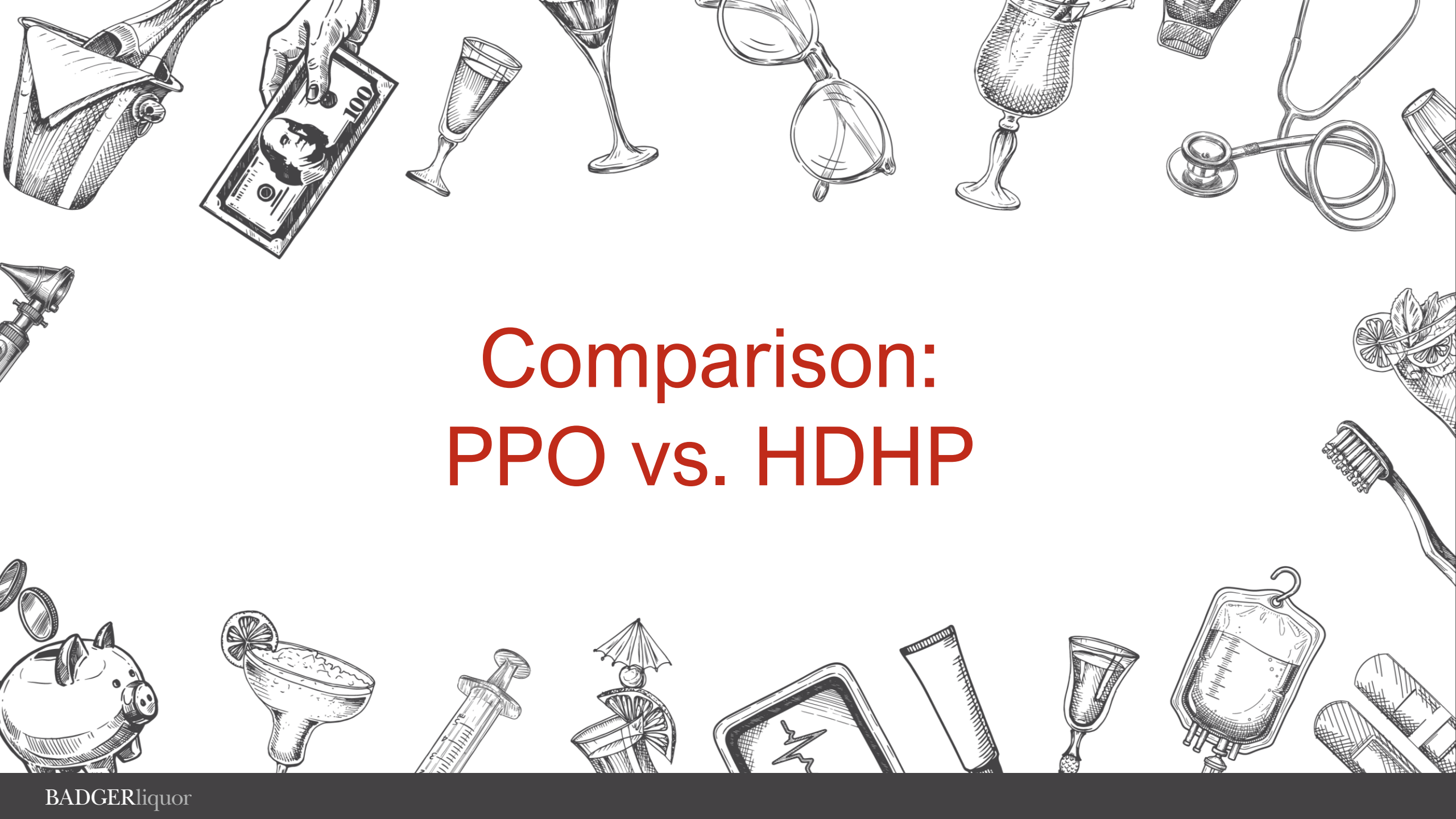
HDHPs require paying more out-of-pocket before insurance coverage begins, increasing upfront costs.

Increased Financial Risk

Unexpected medical events may cause immediate high expenses until the deductible is fully paid.

Greater Cost-Sharing

Longer periods with higher out-of-pocket payments lead to greater financial burden throughout the year.



Comparison: PPO vs. HDHP

Comparison of PPO and HDHP Features

Feature	PPO	HDHP
Monthly Premiums	Higher	Lower
Deductible	Lower	Higher
Network Flexibility	High (in- and out-of-network coverage)	Variable (often includes in-network and out-of-network options)
Referrals Needed	Not required	Not required
Medical Savings Account	Flexible Spending Account (FSA) eligible	Health Savings Account (HSA) eligible
Best For	People with frequent doctor visits, chronic conditions, or who value flexibility	Generally healthy people, low healthcare users, or those who want to save for future medical expenses
Preventive Care	Covered 100%	Covered 100%



Guidance for Making Your Medical Plan Decision



How FSAs and HSAs Support Your Medical Plan Choices

- FSAs help manage predictable healthcare expenses in PPO plans.
- HSAs encourage saving for high deductibles in HDHPs with tax advantages.
- Both accounts reduce out-of-pocket costs and provide financial flexibility.
- Choosing a medical plan involves considering eligibility for FSAs or HSAs.
- Understanding these accounts enhances your ability to optimize healthcare dollars.

Understanding Flexible Spending Accounts (FSAs)

- FSAs allow you to set aside pre-tax dollars for medical expenses.
- Funds in FSAs must be used within the plan year or be forfeited.
- They cover expenses like copays, prescriptions, and some over-the-counter items.
- FSAs are typically offered alongside PPO plans and not HDHPs.
- Contributions reduce your taxable income, saving you money.



Health Savings Accounts (HSAs) and Their Benefits

- HSAs are tax-advantaged accounts for medical expenses tied to HDHPs.
- Most employers also provide some sort of company match for employee contributions
- Contributions, earnings, and withdrawals for qualified expenses are tax-free.
- Funds roll over year to year and can be invested for growth.
- HSAs offer long-term savings potential for healthcare and retirement.
- Only available to those enrolled in qualified High Deductible Health Plans.



Quick Compare: HSA vs. FSA

Feature	HSA	FSA
Eligibility	HDHP required	Employer offered
Contribution Limit	Higher	Lower
Rollover	Yes	Limited or none
Ownership	Individual	Employer
Portability	Yes	No
Tax Benefits	Triple tax advantage	Tax-free contributions & withdrawals
Non-Medical Use	After 65 (taxable)	Not allowed
Contribution Changes	Flexible	Usually fixed
Funds Usage Timing	Use only after funds deposited	Full annual amount available immediately

Garner

Garner is a benefit that helps you find the best doctors in your area and reimburses you for qualifying costs when you visit them.

These doctors follow the best practices and keep you healthier, based on real patient outcomes.

Garner identifies Top Providers who:

- Follow current medical research
- Successfully diagnose problems
- Achieve the best patient outcomes
- Receive favorable patient satisfaction rates

Garner Puts Money Back In Your Pocket

- Office visits
- Imaging
- Lab work
- Procedures

PPO Plan:

\$1,500 for Individuals

\$3,000 for families

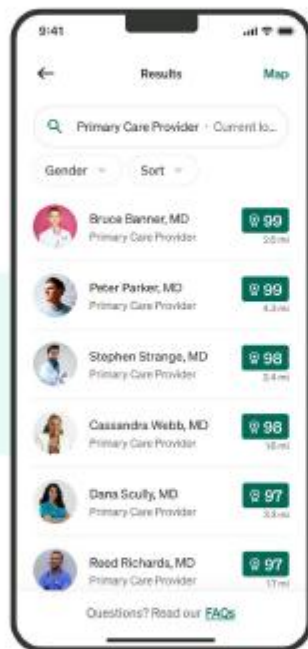
HDHP:

\$2,000 for Individuals

\$4,000 for families

How to use Garner

Costs from Top Providers **qualify for reimbursement.**



1.

Find a Top Provider



2.

Visit a Top Provider



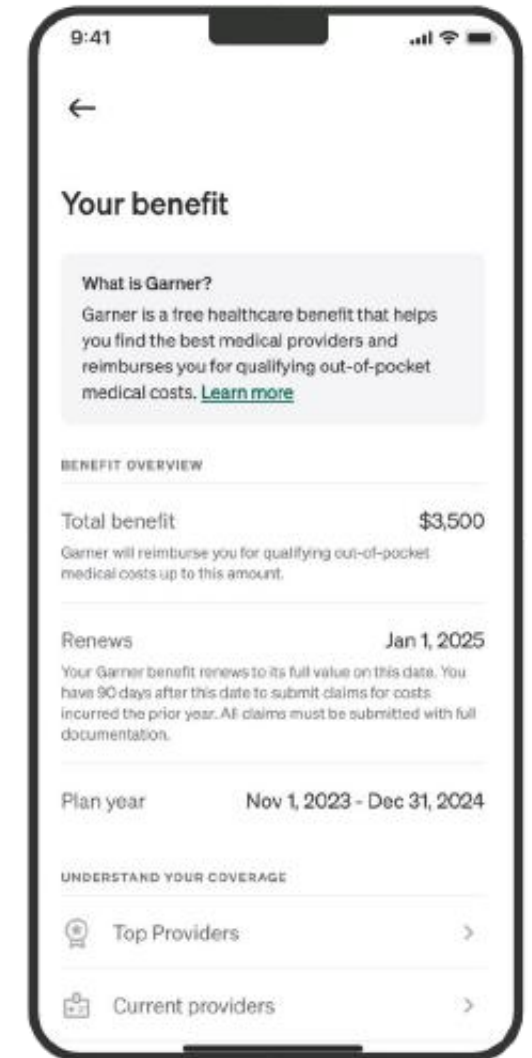
3.

Get reimbursed

To qualify for reimbursement:

1. Create a Garner Account.
2. Search for a Top Provider **before seeing them** to add them to your list of Approved Providers.
3. Verify which costs are covered under your Garner plan.

If you have an HSA, your costs must exceed the minimum deductible of \$1,700 for individuals and \$3,400 for families.



B Human Resources

Benefits

Connected Conversati...

Diversity and Inclusion ...

Employee Discount Pro...

Job Descriptions

Org Charts

Payroll

Physical Job Requirem...

Policies and Guidelines

Reasonable Suspicion

UKG

Announcements

HR Calendar

+ New ▾

↑ Upload ▾

📄 Edit in grid view

🔗 Share









🔗 Copy link

➦ Add shortcut to OneDrive

↓ Download

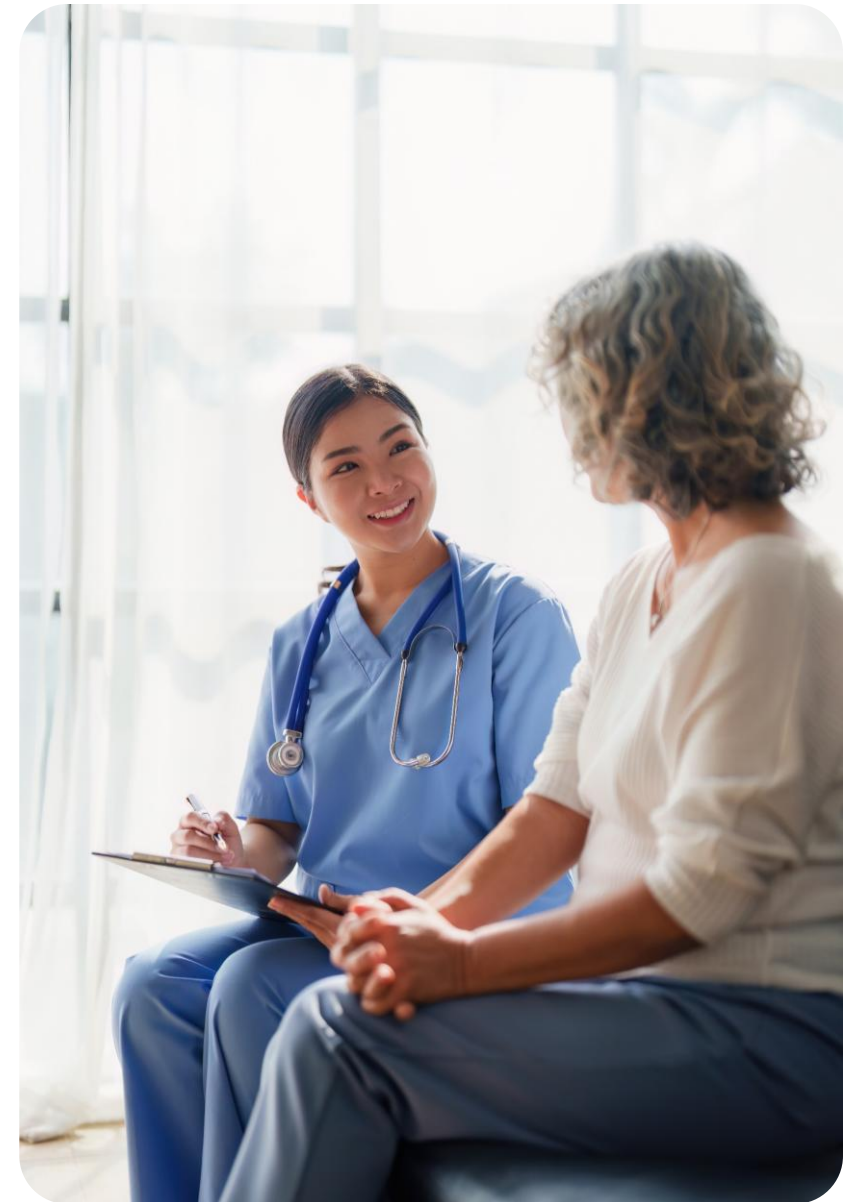
📄 Create a

Benefits > **Garner Preferred Care Provider Locator**

 Name ▾	Modified ▾	+ Add column
 Badger Liquor + Garner Sweepstakes - Poster.pdf	April 1	
 Garner Benefit Overview-20250205_213002-Meeting Recording.mp4	February 5	
 Garner Education Session Slides 02.05.2025.pdf	February 5	
 Garner HSA Handout.pdf	September 12, 2024	
 Garner Top-Rated Doctors Poster.pdf	September 12, 2024	
 How to Use Garner.pdf	September 12, 2024	
 What is Garner.pdf	September 12, 2024	

Key Factors to Consider When Choosing Medical Coverage

- Compare monthly premiums to understand your fixed healthcare costs.
- Evaluate deductibles and out-of-pocket maximums for potential expenses.
- Review network coverage including in-network and out-of-network providers.
- Understand prescription drug coverage and options.
- Check for additional benefits like preventive care and specialist access.
- Assess opportunities for health accounts such as FSAs and HSAs.





Questions

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Choose. Enroll. Cheers.