

# How-To Guide for Calculating Your Annual Healthcare Expenses

The guide is only intended to provide a reasonable estimate of out-of-pocket expenses for employees considering enrollment in the High Deductible Health Plan. **It's a simplification of a very complex process.** Employees are strongly encouraged to consider their individual and family healthcare needs before selecting an insurance plan.

**DIRECTIONS:** To calculate your annual healthcare expenses, you will need to access your medical and pharmacy claims statements or history. To find your claims statements and/or history online, follow these simple steps to register your online account and access your claims information.

## Part 1: Claims from Blue Cross and Blue Shield of Alabama

**Step 1.1.** To register for a *myBlueCross* account, visit [www.bcbsal.org](http://www.bcbsal.org). In the top right-hand corner, select Register. If you already have an account, enter your member credentials and select Login.

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**BlueCross BlueShield of Alabama**  
We cover what matters.

**myBlueCross Member Login**

Username Password LOGIN  
Forgot Username Forgot Password  
Remember Username REGISTER

**Step 1.2.** To view your claims statements, hover over **myBlueCross** in the menu and select "Claims Statements" under Manage My Contract. You can also select "Claims Statements" under Frequently Visited links.

myBlueCross Health & Wellness Resources Find a Doctor SEARCH

**MANAGE MY CONTRACT** MANAGE MY PRESCRIPTIONS UPDATE MY ONLINE PROFILE

Claim Statements ID Cards Contracts and Dependent Information Other Insurance Coverage Information

File a Drug Claim View Claim History Find Drugs | Pricing | Mail Order Find a Pharmacy

Update Profile Photo Change Username Change Password Change Email Address Change Claim Statements

**Step 1.3-A.** The main Claim Statement page will show your most recent **15 claims** sorted by date of service.

Claim Number	Patient Name	Provider	Dates of Service	Submitted Charges	Doctor Rating
30217949 3051	TEST PATIENT	PATHOLOGY LABORATORY	06/18/2019 - 06/18/2019	516.00	
30517174 3051	TEST PATIENT	JOHN MD	06/18/2019 - 06/18/2019	396.00	Rate Now
200 69769200	TEST PATIENT	PHARMACY	06/18/2019 - 06/18/2019	23.62	

**Step 1.3-B. Explanation of Benefits** reports are created when each claim is processed by Blue Cross and Blue Shield of Alabama. You may receive these in the mail if you have not opted-in to receiving electronic notifications. To view an Explanation of Benefits report for a processed claim, click the **Claim Number** next to the claim you wish to view.

The Explanation of Benefits page will show your contact information, contract number, claim processed date, payments made, date of service, provider, and an itemization of the charges.

**Important Definitions:**

- The **Submitted Charge**, or billed amount, is the charge the provider submits to Blue Cross and Blue Shield for services performed.
- The **Eligible Charge**, or allowed amount, is the amount of the submitted charge that qualifies for payment after Blue Cross and Blue Shield has applied a discount.
- The **Copay/Coinsurance** is the copay or coinsurance percentage (i.e., 20%) that you paid at the time you received the service, or later received as a bill from your provider.
- The **Deductible** column will include charges if you have **not yet satisfied** your annual medical or pharmacy deductible. The **Deductible** is the first-dollar amount every member must pay before services are eligible for payment from Blue Cross and Blue Shield.

**EXAMPLE ITEMIZATION - DEDUCTIBLE:** In the example below, there is no copay or coinsurance amount shown because **the deductible has not been met**. Once the deductible is met, then a copay or coinsurance would apply.

Date of Service	Services	Submitted Charges	Eligible Charges	Deductible	Total Benefits Paid
08/21/2017	99203-MEDICAL OFC VISIT	\$105.00	\$73.00 <sup>1</sup>	\$73.00	\$0.00 <sup>2</sup>
08/21/2017	92557-LAB-PATHOLOGY	\$65.00	\$54.00 <sup>1</sup>	\$54.00	\$0.00 <sup>2</sup>
08/21/2017	92567-LAB-PATHOLOGY	\$35.00	\$23.00 <sup>1</sup>	\$23.00	\$0.00 <sup>2</sup>
Totals		\$205.00	\$150.00	\$150.00	\$0.00

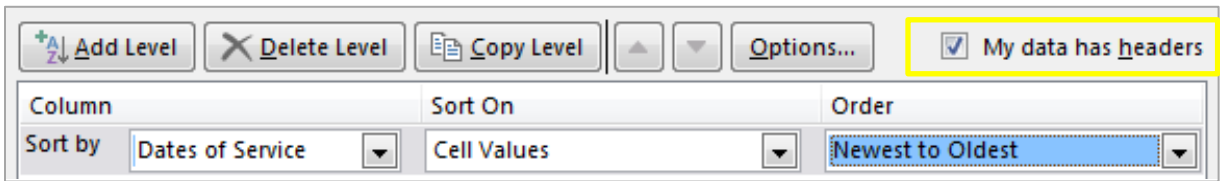
**EXAMPLE ITEMIZATION - COPAY:** After the first-dollar deductible is met, then you will pay a copay or coinsurance depending on the covered service until you reach the annual out-of-pocket maximum.

Date of Service	Services	Submitted Charges	Eligible Charges	Copay/Coinsurance	Total Benefits Paid
12/04/2017	99203-MEDICAL OFC VISIT	\$140.00	\$126.73 <sup>1</sup>	\$35.00	\$91.73 <sup>2</sup>
12/04/2017	81002-LAB - WELLNESS	\$15.00	\$2.61 <sup>1</sup>		\$2.61 <sup>2</sup>
Totals		\$155.00	\$129.34	\$35.00	\$94.34

**Step 1.4.** To calculate your total annual healthcare expenses, select the **“Back to Claim List”** box at the top of each Explanation of Benefits page to return to the main Claim Statement page then select the box to

**DOWNLOAD ALL CLAIMS**

**Step 1.5.** The .csv file will download and open in Excel. Expand all columns and highlight all of your claims data. Navigate to **Data > Sort & Filter > Sort** and sort all claims by **Dates of Service**. Make sure you indicate the data has headers and order from Newest to Oldest.



**Step 1.6.** Delete any rows with dates of service **before January 1, 2020**. Sum the "Total Eligible Charges" column (Column F). For a Family contract you should include the Total Eligible Charges for yourself and any dependents. **This number represents your Total Eligible Medical & Pharmacy Charges in 2020.**

	A	B	C	D	E	F	G	H
	Claim Number	Patient Name	Provider	Dates of Service	Total Submitted Charges	Total Eligible Charges	Total Deductible	Total Co/Pay
2	302179553001	JANE DOE	PATHOLOGY LABORATORY	10/3/2019	\$516.00	\$80.63		
3	302179553002	JANE DOE	JOHN SMITH MD	9/9/2019	\$396.00	\$136.48		\$35.00
4	668869769200	JANE DOE	PHARMACY	8/30/2019	\$23.62	\$23.62	\$23.62	
5	668869769210	JANE DOE	JAMES DOCTOR MD	8/14/2019	\$28.50	\$9.84		
6	304000010600	JANE DOE	JOHN SMITH MD	6/25/2019	\$1,187.00	\$145.00		\$50.00
7	307176800000	JANE DOE	JULIE DOCTOR MD	6/22/2019	\$466.00	\$189.66		\$35.00
8	000062402400	JANE DOE	PHARMACY	6/11/2019	\$10.89	\$10.89	\$10.89	
9	442162000000	JANE DOE	PHARMACY	6/11/2019	\$13.28	\$13.28	\$13.28	
10	700000069700	JANE DOE	THE DCH HEALTH CARE AUTHORITY	5/4/2019	\$1,790.00	\$566.18		\$150.00
11	440080000400	JANE DOE	PHARMACY	3/24/2019	\$12.12	\$12.12	\$12.12	
12	440000006700	JANE DOE	PHARMACY	3/12/2019	\$20.38	\$20.38	\$20.38	
13	300066210000	JANE DOE	JOHN SMITH MD	2/23/2019	\$163.00	\$73.87		\$35.00
14	000054644700	JANE DOE	PHARMACY	2/23/2019	\$8.07	\$8.07	\$8.07	
15	300000479800	JANE DOE	JAMES DOCTOR MD	2/7/2019	\$229.00	\$89.06		
16	700000017800	JANE DOE	THE DCH HEALTH CARE AUTHORITY	2/7/2019	\$1,138.00	\$168.99		
17	304030000100	JANE DOE	MAJOR MEDICAL DEVICE CO	1/31/2019	\$153.44	\$46.00		\$3.20
18	700002453100	JANE DOE	MAJOR MEDICAL DEVICE CO	1/31/2019	\$42.00	\$16.00		
19	300009600000	JANE DOE	JOHN SMITH MD	1/8/2019	\$84.00	\$84.00	\$84.00	
20	300000520100	JANE DOE	JULIE DOCTOR DO	1/5/2019	\$443.00	\$166.50	\$91.00	\$4.00
21	441005520000	JANE DOE	PHARMACY	1/5/2019	\$8.49	\$8.49	\$8.49	
22					\$6,732.79	\$1,869.06	\$271.85	



**Total Eligible Medical & Pharmacy Charges = \$1,869.06**

## Part 2 – Annual Healthcare Expenses Worksheet

**DIRECTIONS:** Use this worksheet to help calculate your annual healthcare expenses. Total the eligible charges you incurred last year for medical and pharmacy, adjust the charges based on your future health care needs and enter the amounts into the chart. Examples of future health care needs could include an annual MRI, knee replacement, maternity claim, or specialty medication for a recently diagnosed illness.



Your amount for **Total Eligible Medical & Pharmacy Charges** may not be all-inclusive. For example, if you complete this worksheet in October, you will need to estimate and add two more months of claims (November and December) for an accurate total.

**EXAMPLE:** If you have a prescription for Humalog that costs ~ \$330 per month then you should factor in that prescription cost for an additional two months ( $\$330 \times 2 = \$660$ ).

### Step 2.1. Calculate your Total Eligible Charges

You must first complete Part 1 of this worksheet to download and calculate your Total Eligible Medical & Pharmacy Charges. From the prior example on pages 1-3:



**Total Eligible Medical & Pharmacy Charges = \$1,869.06**

- Your **Total Eligible Charges** calculation will be used to complete one of the charts on pages 5-6 and determine your final plan recommendation – HDHP or PPO.
- The **Total Eligible Charges** calculation is merely an estimate. It's important to remember that preventive services are **not subject** to the first-dollar deductible. You can view a comprehensive list of medical services at [www.AlabamaBlue.com/preventiveservices](http://www.AlabamaBlue.com/preventiveservices). The Total Eligible Charges for medical and pharmacy may include preventive services or medications. If so, your **Total Eligible Charges** calculation will be *slightly* inflated.

### Step 2.2. Final Plan Recommendations

The following charts on page 5-6 will help you estimate what you would have paid out-of-pocket if you were enrolled in the High Deductible Health Plan in 2020. **Estimated Out-of-Pocket Expenses** include your first-dollar deductible plus 20% coinsurance on any claims incurred after your deductible is met. You will have seed money and your own tax-free payroll contributions in your HSA to help pay these estimated expenses.

Compare your estimated **Total Eligible Charges** (Total Eligible Medical + Pharmacy Charges) to the following scenarios based on coverage tier. Remember the premiums for the new High Deductible Health Plan are over 50% less than the current PPO plan. **You are strongly encouraged to take these premium savings and contribute them to your Health Savings Account (HSA) at a minimum to help you pay for claims throughout the year.**

2021 Plan Year	PPO Annual Premium	HDHP Annual Premium	HDHP Premium Savings	+	Seed Money	Potential HSA Balance
Employee Only	\$1,392	\$684	<b>\$708</b>	+	<b>\$400 =</b>	<b>\$1,108</b>
Family without a Spouse	\$4,872	\$2,376	<b>\$2,496</b>	+	<b>\$800 =</b>	<b>\$3,296</b>
Family with a Spouse	\$5,736	\$2,808	<b>\$2,928</b>	+	<b>\$800 =</b>	<b>\$3,728</b>

**DIRECTIONS:** The following charts are only intended to provide a reasonable estimate of out-of-pocket expenses for employees considering enrollment in the High Deductible Health Plan. It's a simplification of a very complex process. You are strongly encouraged to consider your individual and family healthcare needs before selecting an insurance plan.





1. Determine your premium coverage tier. For example, Employee Only contracts use **Chart 1**, Family without a Spouse use **Chart 2**, and Family with a Spouse use **Chart 3**.
2. Enter your **Total Eligible Charges** calculation from page 4 into the **yellow box**.
  - A. If your **Total Eligible Charges** are less than the deductible (\$1,400 for Employee Only or \$2,800 for Family) then **STOP**. This is your **Estimated Out-of-Pocket Expenses**, skip to Step 5. 
  - B. If your **Total Eligible Charges** are greater than the deductible, subtract the deductible (\$1,400 for Employee Only or \$2,800 for Family) from the Total Eligible Charges to determine your **Subtotal**.
3. Multiply the **Subtotal** by 0.2 to calculate the 20% coinsurance. Your **Subtotal** is the amount of eligible charges incurred after your deductible is met. Once you meet your deductible for the year, you will pay 20% coinsurance on any remaining eligible charges and the plan will pay 80%.
4. Add the deductible back to calculate your **Estimated Out-of-Pocket Expenses** in the **green box**. This is the amount you would have spent on deductibles and coinsurance if you had been enrolled in the High Deductible Health Plan based on your total eligible charges incurred in 2019.
5. If you elect to enroll in the HDHP, you should budget enough money in your HSA to cover *at least* your **Estimated Out-of-Pocket Expenses**, but no more than the annual out-of-pocket maximum of **\$3,500** for Employee Only or **\$7,000** for Family without a Spouse or Family with a Spouse contracts. *The out-of-pocket maximum is the most you will spend out-of-pocket on healthcare in a year.* 

Chart 1. Employee Only	Input Your Charges	Example
<b>Total Eligible Charges =</b>		\$4,509
- Annual Employee Only Deductible =	- \$1,400	- \$1,400
<b>Subtotal =</b>	_____	<b>\$3,109</b>
Multiply Subtotal x 20% for Coinsurance =	_____	\$621.80
+ Annual Employee Only Deductible =	+ \$1,400	+ \$1,400
<b>Estimated Out-of-Pocket Expenses under HDHP =</b>		<b>\$2,021.80</b>

**EMPLOYEE ONLY RECOMMENDATIONS:**

- If your **Total Eligible Charges** are less than **\$1,392**, then you should consider the **HDHP**. If your Total Eligible Charges are greater than **\$1,392**, the PPO plan may be a better option.
- If you elect the PPO, you will pay **\$1,392** in premiums *not including* your deductible or any copays.
- If you elect the HDHP, you will pay **\$684** in premiums and should have a minimum of **\$1,108** in your HSA (the savings difference between PPO and HDHP premiums + UA seed money). If you incur \$1,108 in Total Eligible Charges for the year, then you will spend your HSA down to zero and breakeven.
- Based on the example above with Total Eligible Charges of \$4,509, if this employee enrolls in the HDHP then they should budget *at least* **\$2,021.80** in their HSA to cover all their **Estimated Out-of-Pocket Expenses**.

Chart 2. Family without a Spouse	Input Your Charges	Example
<b>Total Eligible Charges =</b>	<input type="text"/>	\$5,280
- Annual Family Deductible =	- \$2,800	- \$2,800
<b>Subtotal =</b>	<hr/>	<b>\$2,480</b>
Multiply Subtotal x 20% for Coinsurance =	<hr/>	\$496
+ Annual Family Deductible =	+ \$2,800	+ \$2,800
<b>Estimated Out-of-Pocket Expenses under HDHP =</b>	<input type="text"/>	<b>\$3,296</b>

**FAMILY WITHOUT A SPOUSE RECOMMENDATIONS:**

- If your **Total Eligible Charges** are **less than \$5,280**, then you should consider the **HDHP**. If your Total Eligible Charges are greater than **\$5,280**, the PPO plan may be a better option.
- If you elect the PPO, you will pay **\$4,872** in premiums *not including* your deductible or any copays.
- If you elect the HDHP, you will pay **\$2,376** in premiums and should have a minimum of **\$3,296** in your HSA (saving the difference between PPO and HDHP premiums + UA seed money). If you incur \$5,280 in Total Eligible Charges for the year then you will spend your HSA down to zero and breakeven. *See example above.*

Chart 3. Family with a Spouse	Input Your Charges	Example
<b>Total Eligible Charges =</b>	<input type="text"/>	\$7,440
- Annual Family Deductible =	- \$2,800	- \$2,800
<b>Subtotal =</b>	<hr/>	<b>\$4,640</b>
Multiply Subtotal x 20% for Coinsurance =	<hr/>	\$928
+ Annual Family Deductible =	+ \$2,800	+ \$2,800
<b>Estimated Out-of-Pocket Expenses under HDHP =</b>	<input type="text"/>	<b>\$3,728</b>

**FAMILY WITH A SPOUSE RECOMMENDATIONS:**

- If your **Total Eligible Charges** are **less than \$7,440**, then you should consider the **HDHP**. If your Total Eligible Charges are greater than **\$7,440**, the PPO plan may be a better option.
- If you elect the PPO, you will pay **\$5,736** in premiums *not including* your deductible or any copays.
- If you elect the HDHP, you will pay **\$2,808** in premiums and should have a minimum of **\$3,728** in your HSA (saving the difference between PPO and HDHP premiums + UA seed money). If you incur \$7,440 in Total Eligible Charges for the year then you will spend your HSA down to zero and breakeven. *See example above.*