

What is optimum pick of the TriTerm Plan?

Low deductibles and lower coinsurance generate higher premium costs due to reduction of upfront cost of deductibles and coinsurance Out-of-Pocket Maximum of financial responsibility before insurance picks up 100% costs. Maximum Benefit per person of all three categories of plans is \$2.0 million, and the coinsurance percentage is fixed for all three categories of plans. The variation is in choice of deductibles in range from \$2,500 to \$12,500 for Copay Select Max and Plan 80 Max, and \$5,000 to \$12,500 for Plan 100 Max. The comparison of premiums is related to the deductible selected for the fixed duration of 36 months of three terms of one year.

For optimum pick of the plan, it is desirable to buy insurance coverage for low financial responsibility considering the above criteria.

[Browse here for comparatives of premiums.](#) [A download copy is also available here.](#)

How do I optimize my medical coverage?

This can be best explained by an example below:

Customer is 29 year old, and evaluates premiums of three TriTerm Plans that show up in sorting on 'High to Low Premium' so as to get least deductible and coinsurance Out-of-Pocket maximum. Take first three plans and check boxes 'Compare'. Click on button Compare Up to 4 Plans. The three types of plans show in this sort order as follows:

- **Plan 80 Max:** For Deductible dropdown, change default from \$5,000 to \$2,500, the minimum available. Coinsurance is 80/20. Out-of-Pocket Maximum is \$2,000, the effective maximum before insurance picks up 100% of costs. Premium is \$251.82/month
- **Copay Select Max:** Deductible \$2,500. Coinsurance is 70/30. Out-of-Pocket maximum is \$4,500, the effective maximum before insurance picks up 100%. Premium is \$242.10/month
- **Plan 100 Max:** Deductible \$5,000 + coinsurance is 100/0. Out-of-Pocket maximum = \$0. This plan means that after deductible, plan picks up 100%. Premium is 225.90/month.

If the customer lands up in hospital due to injury or disease, stays in hospital, say 7 days, and the hospital bills the insurance company, say \$50,000, the insurance company will typically pay the hospital about 25% after applying contract rates under line item Adjustments, that is, about **\$12,500**.

If the customer chooses to purchase the least expensive supplemental Hospital SafeGuard* indemnity plan A for \$10.83/month (described in section below) having of \$1,000 per day, the customer will be paid \$4,000 for 4 days stay in hospital. The customer offsets the effective Out-of-Pocket costs (deductible + coinsurance 'out-of-pocket maximum) with the money of \$4,000 coming from indemnity and optimizes medical insurance plans as follows:

- **Plan 80 Max:** The effective balance of bill for the member is: \$4,000 (from Hospital insurance subsidy) *less* \$2,000 (out-of-pocket maximum) = *positive* \$2,000. Member walks away with this subsidy left over.
- **Copay Select Max:** The effective bill of the member is \$4,000 (Hospital insurance subsidy) *less* (-) \$4,500 (out of-pocket maximum) = *minus* \$500.
- **Plan 100 Max:** The effective bill of the member is: \$4,000 (Hospital insurance subsidy) *less* \$5,000 (out-of-pocket maximum) = minus \$1,000.

Therefore, to optimize health insurance costs, the customer selects the TriTerm Medical plan on the following criteria:

Minimum 'out-of-Pocket costs', having least deductible for the selected plan, *plus* nominal premium of Hospital SafeGuard* indemnity to offset or reduce 'effective out-of-pocket' expenses.