

Math/Econ Dept.

Mini-scholarship!

A \$100 scholarship will be awarded to the first two students to solve the problem below and submit their solution to Prof. Hollenbeck at bhollenb@emporia.edu.

For what range of medical expenses will Plan J require you to pay the least out-of-pocket compared to the other plans?

	A	C	J	N	Q
Deductible	\$2000	\$5500	\$1000	\$5500	\$1000
Coinsurance (% you pay)	20%	10%	25%	35%	50%
Out-of-Pocket Maximum	\$12,500	\$11,000	\$14,700	\$13,300	\$13,300
HSA "Bonus"	\$0	\$1250	\$0	\$625	\$0
Annual Premium	\$10,173.12	\$5101.92	\$6435.60	\$3677.52	\$4380

- *Deductible* is the amount of medical expenses you must fully pay before insurance will start paying.
- *Coinsurance* is the percentage of medical expenses you must pay after insurance starts paying.
- Once you reach the *Out-of-Pocket Maximum*, insurance will pay 100% of all your medical expenses.
- *HSA "Bonus"* is a payment you receive to help pay for medical expenses.
- *Annual Premium* is the annual cost of the insurance plan, regardless of your medical expenses.
- Notice with Plan N you pay the least out-of-pocket if you have \$0 medical expenses, and Plan C is the best if you have "infinite" expenses.
- You may use a spreadsheet to help you solve this problem.