

Understanding Your Benefits

The Family Deductible in Action

John, a fictional Morgan Stanley employee, covers his wife Mary and daughter Elizabeth through his Firm medical benefits. See how the family deductible works under each Medical Plan option given three health care scenarios:

Medical Plan Option A	Medical Plan Option B	Medical Plan Option C
<p>John has a series of doctor visits totaling \$500. Since this is the amount of the individual deductible, his coinsurance begins and the plan covers 80% of his costs for the rest of the year until his out-of-pocket maximum kicks in.</p> <p>Mary also has a series of doctor visits totaling \$750. Since her costs surpass the \$500 individual deductible, \$500 will be applied to her individual deductible and then her coinsurance begins. She pays 20% of the remaining \$250 (\$750-\$500), or \$50. The plan covers 80% of her costs for the rest of the year.</p> <p>John and Mary's costs total \$1,050, which would be applied towards the \$1,250 family deductible.</p> <p>If Elizabeth has any doctor visits later in the year, she will have to pay the initial \$200 to meet the family deductible. Her costs will then be covered at 80% by her coinsurance since the family deductible is now met, even though she has not met the \$500 individual deductible.</p>	<p>John has a series of doctor visits totaling \$1,000. Since this is the amount of the individual deductible, his coinsurance begins and the plan covers 80% of his costs for the rest of the year until his out-of-pocket maximum kicks in.</p> <p>Mary also has a series of doctor visits totaling \$1,000. Since this is the amount of the individual deductible, her coinsurance begins and the plan covers 80% of her costs for the rest of the year.</p> <p>Elizabeth gets sick and her doctor visit costs \$500.</p> <p>If Elizabeth has any doctor visits later in the year, her costs will automatically be covered at 80% by her coinsurance since her family's combined medical costs equal the \$2,500, the family deductible amount, even though she hasn't met the \$1,000 individual deductible.</p>	<p>John and Mary incur medical expenses totaling \$1,500 each. Later in the year, Elizabeth incurs an additional \$1,000 in medical expenses.</p> <p>Since the family's medical expenses total \$4,000, they've met the family deductible. Their coinsurance begins and the plan covers 80% of all of their costs for the rest of the year, even though none have met their individual deductible amount, \$2,000.</p>