



How Much Can You Save?

If all of your employees switch from a traditional HMO/PPO plan to a High Deductible Health Plan (HDHP), you'll save up to half the cost on health care expenses, depending on how large the deductible is and where you're located. If you want more concrete numbers, take 15 minutes to pull out last year's budget and do the following math:

Total amount spent on premiums for all employees in the previous year: _____

Divided by the number of employees covered by the health care plan: _____

Equals the average cost of insurance per employee (A): _____

Now take the estimated cost of HDHP per employee (B): _____

Subtract B from A to see how much you'll save for each employee that adopts the HDHP plan (C): _____

Divide C by A, then multiply by 100 to view this savings as a percent: _____

The C figure also gives you the maximum amount that you can contribute to an employee's HSA without actually spending more on health care costs than you currently do.

Chart adapted from *Information Strategies Inc.*