Purdue University gives you a choice of medical plans so you can pick the one that makes the most sense for your family situation. Like us, you should evaluate the plan options every year and make sure you understand the costs. Employees often assume they will pay more with Purdue’s HSA 1 and HSA 2 medical plans, compared to the Purdue PPO plan. But when you take into account the higher PPO premiums, as well as the tax advantages offered by HSAs, the financial picture is often more favorable with an HSA plan.

A recent study of Purdue’s plan data over a four-year period reveals that employees enrolled in Purdue’s HSA plans actually spent less than those enrolled in the PPO.

UNDERSTANDING THE TOTAL COST OF PURDUE’S MEDICAL PLANS

First, compare premiums for each plan. The annual premium for the PPO is significantly higher than the two HSAs.

Now add your out-of-pocket costs. An HSA plan has higher costs initially, but when you factor in Purdue’s HSA contribution, the total expenses were less than the PPO for most.

Data Source: Summary of Consumer Directed Health Plan Enrollment & Utilization Compared to a Traditional Plan, prepared by LHD Advisers, May 2018.