

HSA-eligible HDHP vs. traditional PPO

What's the difference?

Feature	HSA-eligible HDHP	Traditional PPO
Monthly premium	Usually lower	Usually higher
Deductible	Higher	Lower
Tax-advantaged savings account	Yes	No*
Investment opportunities	Often Available	No
Provider flexibility	Moderate	High
Best for	Generally healthy individuals and long-term savers	Frequent healthcare users
Unused funds roll over	Yes, forever	N/A*

*May use a tax-advantaged [Flexible Spending Account \(FSA\)](#)

How to choose?

Consider an HSA-eligible plan if you:

- ✓ Rarely visit doctors
- ✓ Have few prescription medications
- ✓ Want lower monthly premiums
- ✓ Can afford a higher deductible if needed
- ✓ Want to build long-term savings

Consider a PPO if you:

- ✓ Have ongoing medical conditions
- ✓ Visit specialists frequently
- ✓ Prefer predictable healthcare costs
- ✓ Want maximum provider flexibility

Helpful online calculators

Choosing between an HSA-eligible HDHP and a traditional health plan can be confusing, but these free tools can help you compare costs and estimate potential savings:

1. [HealthCare.gov Plan Comparison Tools](#)

Use the federal marketplace to compare premiums, deductibles, out-of-pocket costs, provider networks, and plan types. HealthCare.gov emphasizes looking at your total annual healthcare costs, not just monthly premiums.

2. [Health Insurance Plan Comparison Calculator](#)

Analyze actual utilization (copays, deductibles, and premiums) to estimate total costs.

3. [Fidelity HSA Investing Calculator](#)

Fidelity offers an interactive tool that estimates how HSA contributions can grow over time and compares investing versus keeping funds in cash.

Quick Tip for Young Adults

Before selecting a plan, estimate:

Annual Premiums + Expected Medical Expenses – Employer HSA Contributions – Estimated Tax Savings

Running this calculation for both an HSA-eligible High-Deductible Health Plan (HDHP) and a PPO can often reveal that the lower-premium HSA option is less expensive overall, especially for healthy young adults who don't expect frequent medical visits. HealthCare.gov and state marketplace comparison tools are often the best starting point because they allow side-by-side comparisons of total estimated annual costs.