

Common Types of Private Health Insurance Plans

With so many plans, it can be confusing what is best for you!

Take a look below for common types of private plans that might suit your health needs. Note that all allow for out-of-network care if there is an emergency.

✧ **In-network**
Providers or areas your insurance designates as part of the network

PCP
Primary care provider (physician)

HMO

Health Maintenance Organization

Made up of a network of specific providers. Patients are only covered if they see one of the providers in the network, must have PCPs, & need referrals to see specialists. Is cost-friendly for users because of in-network care.

User Profile

For people looking for a less expensive option and don't require specialized care

Pros

- ❑ **Less Complicated Billing**
Don't need to file as many claims
- ❑ **Usually the Most Cost-Friendly**
Usually no deductible and smaller monthly premiums or copayments
- ❑ **Coordinated & Preventative Care**
Established relationship with PCP who coordinates care and encourages preventative services

Cons

- ❑ **Limits You to In-Network**
Only certain providers/areas where you can receive coverage
- ❑ **PCP Needed for Referrals**
You must see your PCP before you can see any specialists.
- ❑ **Patient Quotas**
Physicians usually required to see minimum number of patients daily. Limits time spent with each patient

PPO

Preferred Provider Organization

Patients have large flexibility in which provider they see because out-of-network care is covered. No referral is needed and patients have more control over their healthcare, in exchange for higher costs.

User Profile

Someone who is willing to pay more in exchange for larger flexibility and more choices.

Pros

- ❑ **More Flexibility**
Do not need to choose a PCP. Can choose from many providers both in-network and out-of-network. Can make it easier to get earlier appointments
- ❑ **PCP Not Needed for Referrals**
Can make appointment directly with a specialist
- ❑ **Better Coverage When Traveling**
Still covered out-of-network so not limited to home city area

Cons

- ❑ **Higher Costs**
Typically higher premiums. Out-of-network covered but most PPOs designate certain out-of-network "preferred providers" that are cheaper
- ❑ **More Responsibility Managing Care**
PCP not required and more providers to have to choose from
- ❑ **Usually Have Deductibles**
You must meet the deductible before your insurance begins to pay

EPO

Exclusive Provider Organization

An EPO allows for coverage only within your network but doesn't require referrals. Healthcare provided from outside this network has no out-of-network benefits. Not as commonly offered as other types of plans.

User Profile

Typical User Profile: For a person who plans to see specialists, perhaps for a chronic health condition. This way, there is no need to pay for an appointment with a PCP to receive a referral.

Pros

- ❑ **PCP Not Needed for Referrals**
Can make appointment directly with a specialist
- ❑ **Typically Larger Provider Networks**
Typically larger networks than HMOs allowing for more options

Cons

- ❑ **Limits You to In-Network.**
Only certain providers/areas where you can receive coverage
- ❑ **Intermediate Costs**
Typically more expensive than HMO (higher premiums and out-of-network deductibles) but cheaper than PPO

POS

Point of Service

A POS plan can be thought of as a hybrid between the PPO and HMO plans; like PPOs, this plan allows you to receive out-of-network benefits, and like HMOs, it is typically required to choose an in-network primary care physician.

User Profile

For a patient who plans to use out-of-network care providers frequently, or if their preferred primary care physician is already in the network.

Pros

- ❑ **Better Coverage When Traveling**
Still covered out-of-network so not limited to home city area
- ❑ **Coordinated & Preventative Care**
Established relationship with PCP who coordinates care and encourages preventative services

Cons

- ❑ **PCP Needed for Referrals**
You must see your PCP before you can see any specialists.
- ❑ **Intermediate Costs**
Typically more expensive than HMO (higher premiums and out-of-network deductibles) but cheaper than PPO

HDHP + HSA

High Deductible Health Plan and Health Savings Account

An HDHP has a higher deductible with a lower premium, making out-of-pocket costs higher (but there's a federal limit to in-network out-of-pocket costs). The HSA is paired to help cover part/all of the deductible.

User Profile

For someone without health problems as preventive care is covered without needing to meet the deductible, Someone with ongoing health issues may take a long time to reach the deductible with low premiums, making out-of-pocket costs high.

Pros

- ❑ **HSA is Pre-Tax & Rolls Over**
HSA savings can be accumulated from year to year and you save money by contributing pre-tax earnings
- ❑ **PCP Not Needed for Referrals**
Can make appointment directly with a specialist
- ❑ **Preventative Care Still Covered**
Preventative services (and maybe specialist services) covered even if deductible unmet.

Cons

- ❑ **Higher Deductibles**
Minimum of \$1,400 for an individual, and \$2,800 for a family.
- ❑ **May or May Not Cover Out-of-Network**
Out-of-network coverage varies by plan
- ❑ **Risky for Unexpected Medical Expenses**
Accidents or emergencies can lead to high out-of-pocket costs because high deductible still unmet

Sources: 1 www.healthy.kaiserpermanente.org/southern-california/learn/hmo-vs-ppo-advantages