HEALTH INSURANCE PLANS

	HEALTH MAINTENANCE ORGANIZATION (HMO) PLANS	PREFERRED PROVIDER ORGANIZATION (PPO) PLANS	POINT OF SERVICE (POS) PLANS	EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLANS	HIGH DEDUCTIBLE HEALTH PLANS (HDHP)
Definition	Managed care system where comprehensive health care services are offered to its members through a network of health care providers.	Managed health care organization plan comprised of "preferred" physicians, hospitals, and other providers that contract with the insurer to provide services.	Managed care system with characteristics of both an HMO and a PPO. Member can stay within network PCP to manage their care or go outside the network.	Form of managed care in which a network of medical care providers has entered into agreements with an insurer to provide health insurance to its members.	Plans with high annual deductibles where insured has to cover initial medical expenses before the policy provides coverage.
How They Work	Member selects a PCP who acts as a gatekeeper and provides referrals for specialists. All care must first be approved by the HMO in order to be covered.	Insured can have a PCP within network but are not required to get referrals to specialists within the plan from PCP. Care is not restricted to providers within the network.	Member selects a PCP who acts as a gatekeeper and provides referrals for specialists. Members have a choice to see out-of-network providers when they need a specialist.	Member selects a PCP who acts as a gatekeeper and provides referrals for specialists. All care must first be approved by the EPO in order to be covered.	Can allow for in-network coverage, similar to an HMO, or for in- and out-of-network coverage, similar to PPO or POS plans. Allows for its members to fund a Health Savings Account (HSA).
Advantages	- Lower premiums than other managed care programs. - Promote preventative care and regular checkups. - Beneficial for those who are healthy and mostly need routine care.	- Greater flexibility and choice compared to other managed care plans. - Members can see specialists without a referral by PCP. - Greater control over healthcare decisions.	- Greater freedom to see out-of-network providers. - Emphasis on prevention and health education. - Lower deductibles and limited co-payments for in-network coverage, compared with a PPO.	- Beneficial for those who are healthy and mostly need routine care. - In the event of a dispute, the insurance company can act as a mediator between members and medical service providers.	- Annual premium is significantly lower than traditional plans. - If member has an HSA-compatible HDHP, have greater flexibility in use of health care benefits.
Disadvantages	- Out-of-the-network will not be covered by HMO and must be paid out-of-pocket. - All referrals to a specialist must first go through the PCP.	- Typically have deductibles and copayments, potentially costing the insured more. - Cost of out-of-network provider will likely be high.	- Members need to get approval from PCP even if a specialist is in their network. - Out-of-network coverage is limited and more expensive.	- Network of physicians is usually smaller than HMOs, which can restrict the member's options.	- The insured has to self-fund until the deductible is met. - Typically have higher deductibles and copayments than traditional plans.