



# Let's Talk About Types Of Health Insurance Plans

By Jay Mahoney, CBC, Benefits Manager

*HMO? PPO? POS?* What do all of these acronyms mean? With the passage of the Affordable Care Act, ACA or Obamacare, we all have more choices than ever and acLet's Talk ess to many different types of health insurance under ACA.

To break it down for you, here is a brief explanation of the common insurance types you will see & what they mean to you.

## **HMO: Health Maintenance Organization**

HMOs are common & generally provide coverage only within the HMO network. The first step you will take within an HMO is to select a PCP, Primary Care Provider, which will be your primary doctor. HMO plans generally have lower premiums because the PCP will need to verify & coordinate your coverage. This may mean referrals from your PCP for any health care services outside of their immediate service. The main drawback to an HMO plan is that coverage is generally NOT extended outside of the HMO network. Without coverage outside of the network, you may not have coverage if you catch a cold or virus and want to see a doctor when traveling (though emergencies would generally still have coverage outside of the network) If you plan to enroll in an HMO, we recommend you first check that your doctors, including specialists & hospital of choice, are all within the network.

## **POS: Point of Service Plan**

A point of service plan is similar to an HMO. It generally requires a PCP, Primary Care Physician. These plans generally do not require pre-authorization from the insurance company, meaning you can go for appointments without consulting with the insurance carrier first. There is a network associated with POS plans, however there may still be coverage available outside of the selected network. This is important & may be the right choice for you if you tend to travel and have any concern in regards to coverage outside of your immediate area.

## **EPO: Exclusive Provider Organization**

When choosing an EPO plan, you will not be required to select a PCP or primary care physician, however you will need to rely on the selected insurance carrier to provide you with pre-authorization in order to obtain medical testing & treatment. The monthly premiums may be low within an EPO but there is NO coverage outside of the EPO network, except for true emergencies. If you are looking into an EPO, make sure to check the network providers.

## **PPO: Preferred Provider Organization**

A PPO may be one of the more expensive plans, but will give you the greatest access to providers as they will cover both in and out of network care, generally at varying cost sharing levels. You will not need to designate a PCP and will likely have the freedom to schedule medical treatment and testing

without needing pre-authorization. Some pre-authorization maybe a requirement for major services and this information will be detailed in your individual policy. We would generally recommend a PPO to anyone who travels, prefers to manage their own care.

We are hoping that by understanding these health insurance terms, you will feel more confident in making a decision regarding the type of health insurance best suited for your needs. As always, we are glad to review coverage options with you even if you plan to enroll through the Health Insurance Marketplace provided by the Affordable Care Act. Remember, open enrollment for individual coverage for 2018 has ended. You may still obtain coverage through the ACA if you have an eligible life event such as marriage, a death in your family or change in full time employment status. Otherwise, you will need to wait to enroll until the 2019 Open Enrollment which will begin on November 1<sup>st</sup>, 2018.

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