



DMPO Health Plan Services Are Worth Exploring

www.glgroup.com/News/DMPO-Health-Plan-Services-Are-Worth-Exploring-45328.html

SUMMARY:

Losing your health insurance and your job is double jeopardy during an already stressful time. While COBRA is available to most people who were covered under a company health plan, it is a temporary solution and an expensive one at that. For the uninsured, under-insured and even those with traditional health insurance plans, it may be time to take a look at alternatives to traditional health insurance and to locate health service solutions on your own.

ANALYSIS:

With daily health care reform headlines, the resulting debate has only added more confusion and questions to this leggy issue. All sorts of ideas are tossed about, and hotly debated issues are jostled from various versions of the tenuous plan, while more and more people are losing their health care coverage and are looking for affordable ways to cover health expenses.

COBRA, the traditional “offloading” answer to displaced employees is expensive because the unemployed, with limited cash resources now have to pay both sides of the insurance premium (assuming your employer previously paid a portion of your plan cost). Worse yet, you are typically only eligible for so many months, meaning it is not a long-term solution. If you don’t or can’t find replacement employment which includes equitable health insurance, what are we to do?

Traditional health insurance can be difficult to obtain on your own, especially if you are older and/or have certain pre-existing conditions. Most traditional plans applied to as an individual will be

medically underwritten (another term for “under medical review” of your application and past health history). This can be a major roadblock. You have to prove you are healthy enough to qualify for a new plan. It’s like the old adage “to

“...CallMD also offers family programs (\$39.95 per month) which are surprisingly affordable and well-balanced....”

get a loan, you have to prove you don't need the money...", but in this case, it's "you have to prove you don't need expensive healthcare to be eligible for expensive healthcare"... Sounds like a bit from an Abbot & Costello vaudeville act.

One option to lighten the load is to investigate a **Health Savings Accounts** (HSA's)...but again, only if you and your family are relatively healthy. The typical HSA commonly offers tax benefits, but does little to relieve a high-deductible, or to cover the cost of a catastrophic health insurance plan. Under a high deductible plan, common doctor office consultations are not paid until you meet your annual deductible, meaning heavy cash outlays for the majority of the year. And while the basic catastrophic plan has lower premiums, it only kicks in to provide relief when you have truly extraordinary health problems... think in terms of heart problems, cancer or long-term life threatening conditions such as multiple dystrophy, diabetes, or pulmonary issues. The health savings account is established to help pay anything and everything up to that high deductible amount but if you don't use it in a given calendar year, you lose your annual investment.

Discount Medical Plan Organizations (DMPO's) are a new and popular option gaining momentum. Individuals and families can receive pre-arranged discounts from health care providers who contract with the discount plan organization. While not actual insurance, the resultant savings are often similar in effect.

There are several companies offering a variety of services on the market, providing access to doctors and nurses by phone, along with office visits, pharmaceutical and prescription programs. My quick search on the internet brought up several program plans that fit the bill of augmented health care access, with very attractive offerings and surprisingly low rates. Some appear to offer only online guidance and information, or perhaps telephone service dealing with an agent, but others offered an entire range of medical services that rival traditional health care coverage for a fraction of the price.

One such company is **Americare Services, Inc.**, a Dallas-based company who offers a variety of plans for families and individuals alike (www.callmd.com). Under their "**CallMD Ultimate Plan**", a member gains 24/7 toll free access to U.S. registered nurses (R.N.s) by phone. An RN, as opposed to an Licensed Nurse (LN) is the highest trained level of nurse and has more formalized understanding of medicine than a simple phone agent. The CallMD nurse can "triage" health issues over the phone, and if needed, arrange a callback to the member by a registered doctor licensed to practice in the members state. The doctors will call the patient within three hours (frequently within the hour, according to a company spokesperson), and provide the member with an over-the-phone consultation. If needed, the doctor can even call in non-controlled substance prescription on behalf of the client to meet the immediate need. A \$35 dollar doctor's consultation fee is added to the monthly membership costs of \$9.95 per month (\$14.95 for the family plan), but this additional fee is only charged if there is an actual doctor related call back. If the typical member has no more than a handful of such incidences per year, the annual costs of the program is far less expensive than a traditional HSA plan or high deductible catastrophic plan, and offers much of the same benefit. It's also greatly reduces the need for visits to the local hospital emergency room, the historic last resort for the uninsured. Data shows that up to 70% of all ER visits annually could easily be avoided by a phone call to a physician, saving U.S. patients and the hospitals hundreds of thousands of dollars in operational costs per year.

The plan provides unlimited access to medical, vision, and dental office visits in a members area, with out of pocket costs that run about the same as a traditional doctor's visit covered under an insurance plan with a per visit deductible. In fact, most plans, such as those offered by CallMD are arranged through traditional health insurance

providers, meaning that many, if not all, of the same service providers are more than likely to participate in your program as well.

As shown, the DMPO plans offer relatively low monthly fees and could augment HSA's and traditional health insurance policy holders. For the uninsured, it provides continued security in knowing you have affordable discounted services and benefits and if you should need a doctor, a lower fee than you could probably negotiate on your own.

Another benefit is that most DMPO's are month-to-month programs that you can enroll in and gain immediate coverage, with no exclusion of benefits related to existing health issues, or long waiting periods before access is available. They would appear to be an excellent option for "bridge" coverage between jobs as well, or as a benefit for small employers looking for affordable ways to offer health programs to hourly or part-time employees.

Many people looking at ways to reduce monthly health care costs should consider a mix and match approach. For example, if the traditional health insurance plan premiums have just gotten too expensive, some people might opt for a high deductible (catastrophic plans) in combination with a Discount Medical Plan. The savings over several months of unemployment will typically be far less than traditional COBRA coverage.

These days we are looking for ways to reduce our health care costs and telemedicine combined with discount medical plans and catastrophic coverage surgical plans may be worth looking into before making a decision. Healthy trails!



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