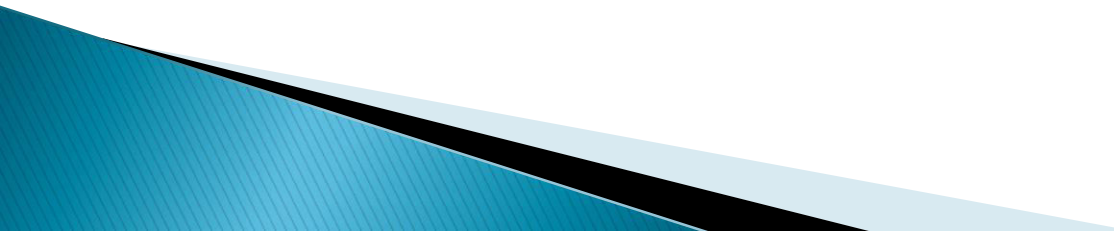


PPOs, POSs & Managed Indemnity

By MRDTL Systems Pvt. Ltd.

Agenda

- Objectives
 - Topics
 - Concepts
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Objectives

- **After completing this module, you will be able to learn:**
 - **Describe a preferred provider organization and explain how it differs from other types of health plans.**
 - **List and describe two characteristics common to most POS products.**
 - **Describe one major difference between an EPO and a PPO.**

Topics

D	PPOs, POSs & Managed Indemnity
1	PPOs
2	EPOs
3	POS
4	Managed Indemnity Plans

PPOs

- ▶ **PPO (Preferred Provider Organization)** - A healthcare benefit arrangement designed to supply services at a discounted cost by providing incentives for members to use designated healthcare providers (who contract with the PPO at a discount), but which also provides coverage for services rendered by healthcare providers who are not part of the PPO network.
- ▶ The member is free to choose his/her own physician, and in most cases does not need to have a Primary Care Physician or referral to access care.
- ▶ With a PPO, members do have coverage for out of network services, although at a lower benefit (possible including higher deductibles, higher co-payments, and lower reimbursement percentages)

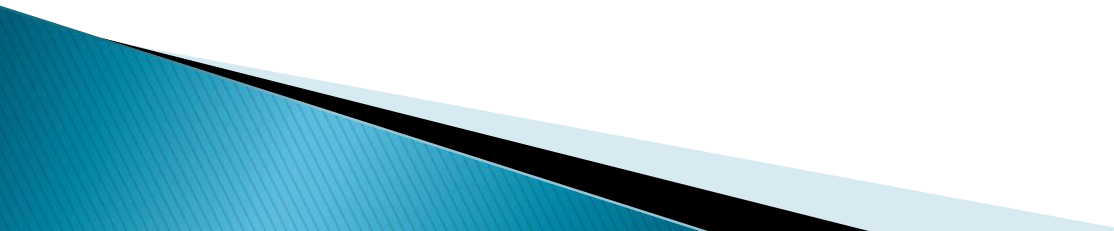
EPOs

- ▶ **Exclusive provider organization (EPO)** - A healthcare benefit arrangement that is similar to a preferred provider organization in administration, structure, and operation, but **which does not cover out-of-network care**.
- ▶ In an EPO, if a member receives medical care from a physician or hospital that is not in the EPO's provider network, the services are not covered and it is the member's responsibility to pay for the treatment out of his or her own pocket.

POS

- ▶ **Point-of-Service (POS) Products** - A POS is a hybrid product that combines some aspects of traditional group health insurance with aspects of HMOs and PPOs.
- ▶ With a *point-of-service (POS) Product*, when members need medical care, **they choose, at the point of service**, whether to go to a provider within that plan's network or to seek medical care out of the network.
- ▶ The POS option offers a **greater amount of coverage** for healthcare expenses provided within the network and usually requires members to pay deductibles and coinsurance amounts for medical care received out of the network.
- ▶ • Freedom of choice
- ▶ • Cost-cutting efforts and the structure of coverage
- ▶ • Primary care physician

Managed Indemnity Plans

- ▶ These plans are typically organized and administered like traditional indemnity plans but include health plan “overlays” such as precertification and utilization review techniques.
 - ▶ In these plans, health plan techniques are employed primarily as cost control devices.
 - ▶ Insured members use the providers of their choice for medical care and the plan does not utilize networks of preferred providers.
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Questions?

Thank You!