

Types of Medical Plans

Health Maintenance Organization (HMO)

- **Features:** Requires members to use healthcare providers within a specified network. Referrals from a primary care physician (PCP) are needed to see specialists.
- **Advantages:** Lower premiums and out-of-pocket costs. Focus on preventive care.
- **Disadvantages:** Limited choice of healthcare providers and need for referrals.

Preferred Provider Organization (PPO)

- **Features:** Offers a network of preferred healthcare providers but allows members to see out-of-network doctors at a higher cost. No referrals needed to see specialists.
- **Advantages:** Greater flexibility in choosing healthcare providers and specialists.
- **Disadvantages:** Higher premiums and out-of-pocket costs compared to HMOs.

Exclusive Provider Organization (EPO)

- **Features:** Similar to PPOs but does not cover out-of-network care except in emergencies. No referrals needed to see specialists.
- **Advantages:** Lower premiums than PPOs while maintaining flexibility in choosing providers within the network.
- **Disadvantages:** No coverage for out-of-network care.

Point of Service (POS)

- **Features:** Combines elements of HMOs and PPOs. Requires a primary care physician for referrals to specialists but allows out-of-network visits at a higher cost.
- **Advantages:** More flexibility than an HMO with some coverage for out-of-network care.
- **Disadvantages:** Higher out-of-pocket costs for out-of-network services and need for referrals.

High Deductible Health Plan (HDHP)

- **Features:** Plans with higher deductibles and lower premiums, often paired with Health Savings Accounts (HSAs).
- **Advantages:** Lower premiums and the ability to save tax-free money in an HSA for medical expenses.
- **Disadvantages:** Higher out-of-pocket costs before insurance kicks in.

Health Savings Account (HSA)

- **Features:** A savings account for individuals enrolled in HDHPs, allowing them to save pre-tax money for medical expenses.
- **Advantages:** Tax benefits and funds roll over year to year.
- **Disadvantages:** Only available with HDHPs and contributions are limited annually.

Medicare

- **Features:** Federal program for individuals 65 and older or with certain disabilities. Includes Part A (hospital insurance), Part B (medical insurance), Part C (Medicare Advantage Plans), and Part D (prescription drug coverage).
- **Advantages:** Provides comprehensive coverage for seniors and eligible individuals.
- **Disadvantages:** Can involve premiums, deductibles, and gaps in coverage.