

HMO, PPO, Or Fee-For-Service?

Would your loved one prefer using an HMO, PPO, or fee-for-service insurance? Use this worksheet to find out.

For each group, have your loved one choose the statement 1 or 2 that best describes how he or she feels:

1. Having complete freedom to choose doctors and hospitals is the most important thing to me in a health plan, even if it costs more.

2. Holding down my costs is the most important thing to me, even if it means limiting some of my choices.

1. I travel a lot or have children that live away from me and we may need to see doctors in other parts of the country.

2. I do not travel a lot and almost all care for my family will be needed in our local area.

1. I don't mind a health insurance plan that includes filling out forms or keeping receipts and sending them in for payment.

2. I prefer not to fill out forms or keep receipts. I want most of my care covered without a lot of paperwork.

1. In addition to my premiums, I am willing to pay for the cost of routine and preventive care, such as office visits, checkups, and shots. I also like knowing that I can get an appointment for these services when I want one.

2. I want a health plan that includes routine and preventive care. I don't mind if I have to wait for these services to be scheduled for an available appointment with my doctor.

1. If I need to see a specialist, I probably will ask my doctor for a recommendation, but I want to decide whom to go to and when. I don't want to have to see my primary care doctor each time before I can see a specialist.

2. I don't mind if my primary care doctor must refer me to specialists. If my doctor doesn't think I need special services, that is fine with me.

If your loved one's answers are mostly 1: He or she wants to make his or her own health care choices, even if it costs more and takes more paperwork. Fee-for-service may be the best plan.

If your loved one's answers are mostly 2: He or she is willing to give up some choices to hold down medical costs. Consider a health maintenance organization (HMO).

If your loved one's answers are some 1's and some 2's: He or she might want to look for a plan such as a preferred provider organization (PPO) that combines some of the features of fee-for-service and a health maintenance organization.

The differences among fee-for-services plans, HMOs, and PPOs are not as clear-cut as they once were. Fee-for-service plans have adopted some activities used by HMOs and PPOs to control the use of medical services. And HMOs and PPOs are offering more freedom to choose doctors, the way fee-for-service plans do. By studying your loved one's health insurance options carefully, you will be able to pick the one that provides him or her with the necessary coverage, no matter what it is called.

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