



Managed Care Plans

What are Managed Care Plans?

Managed care plans are a type of health insurance. They contract with healthcare providers and medical facilities to provide care at reduced costs. These providers make up the plan's network. The amount of care these plans pay for depends on the network's rules.

What are Managed Care Networks?

They are contracts with:

- doctors
- hospitals
- clinics
- labs
- pharmacies
- other healthcare providers

Some plans require you receive all healthcare services from a network provider. Other plans allow you to receive care from providers not in the network. You will pay more money for providers not in network.

What are the types of Managed Care Plans?

Plans that restrict your choices often cost less. Plans that offer more choices will cost more.

- **Health Maintenance Organizations (HMO):** A type of plan. It offers healthcare services only with HMO providers. An HMO usually pays for care only within the HMO network. You might have to choose a primary care doctor. This doctor will be your main healthcare provider. They will refer you to other HMO providers when needed.
- **Preferred Provider Organizations (PPO):** A type of plan. It contracts with medical providers to create a network. The network includes providers like hospitals and doctors. You pay less if you use providers in the plan's network. A PPO will pay part of your healthcare costs if you go outside the network. You will have to pay more for care outside of the network.
- **Point of Service (POS) Plan:** A type of plan. It lets you choose between a PPO or HMO each time you need care. You pick a primary care doctor from a list of network providers. Your care is managed by this doctor. The doctor is your point of service (POS). They will refer you to other in-network providers when needed.

Prescription Medications

Most plans have a list of drugs that they pay for. The list is called a formulary.

Your copay for a prescription drug depends on your plan. Some plans prefer generic drugs. Some plans prefer certain brand name drugs.

Example: You take medicine to control your cholesterol level. Your copay may be:

- \$10 for generic drug (simvastatin)
- \$25 for the preferred brand name drug (Lipitor)
- \$40 for the non-preferred brand name drug (Crestor)

Your copay may be lower if you:

- use your insurer's Preferred Network Pharmacy
- use your insurer's mail order pharmacy
- avoid Network or Non-Network retail pharmacies

Have questions about prescriptions? Contact your insurance plan.