

# Managed Care

## WHAT IS MANAGED CARE?

Welcome to the age of managed care. In today's complicated health care delivery system, you need to know what the new terms and acronyms mean to insure that you and your family receive the best health care available. What is the difference between a PPO and an HMO? What procedures are covered by my plan and can I still go to my doctor?

This brochure will act as your guide, allowing you to make the right choices regarding the care you need. We have prepared a glossary of terms for your reference. Please keep this reference guide with your health insurance material and refer to it when dealing with doctors, insurance companies, and employers.

## CHANGES IN HEALTH CARE AND HEALTH INSURANCE

In the past several years, discussion about the rising cost of health care and solution to controlling those costs has escalated. One of the proposed solutions for controlling costs is managed care, which has gained considerable popularity in recent years. Being insured through a managed care organization may save you money, but do you lose in other respects. Some say YES!

A study by the Harvard School of Health and Louis Harris and Associates, funded by The Robert Wood Johnson Foundation, showed that while patients save in out-of-pocket costs with managed care over fee-for-service care, they might be short-changed in patient satisfaction. The study found that for patients visiting a general practitioner:

- ✍ 12% of managed care patients felt that medical care was incorrect or inappropriate, compared to 5% fee-for-service
- ✍ 12% of managed care patients believed the doctor failed to explain what he or she was doing, 6% of fee-for-service patients believed this.
- ✍ 10% of managed care patients said their doctor failed to explain how and when to take medications at home, 4% of fee-for-service said this.
- ✍ 17% of managed care patients and 7% of fee-for-service patients waited a long time for an appointment; 26% of managed care and 18% of fee-for-service waited too long in the waiting room.

Sometimes patients in managed care plans do not have access to chiropractic care. Even though the Agency for Health Care Policy and Research, an arm of the U.S. Department of Health and Human Services, recommends spinal manipulation as an effective first line of treatment for

the management of low-back problems, some managed care plans do not cover chiropractic treatment. In a survey of patients of Doctors of Chiropractic in rural areas of the U.S., only 4% said that they could easily get a referral to a chiropractor through an HMO. Another 2% believed they could get the referral but with some difficulty. The researchers of this study concluded, "obtaining coverage (chiropractic) through an HMO is particularly rare."

## GLOSSARY OF TERMS

With the growing numbers being insured through a managed care organization, it is important for every one to be familiar with her new terminology emerging. Not only are these new terms being used in reference to health care insurance, they are now also commonly used in the media.

**Managed Care** – A type of health care system that strives to provide quality care while encouraging appropriate use of services and holding down you cost and the quantity of care.

**Health Maintenance Organization** – A system offering a wide range of medical services to persons in a specific area through a select group of doctors, hospitals, clinics, and pharmacies. HMO's usually cover most expenses, but you must use providers who belong to the HMO to receive coverage. Like all types of insurance, you pay a premium to belong and there is sometimes a co-payment needed.

**Preferred Provider Organization (PPO)** – An organization of doctors, clinics, and/or hospitals that offer service for lower fees. A PPO supplements a traditional insurance plan giving you two options: You may choose any qualified doctor or hospital for health care and receive limited benefits or you can choose to use PPO provider and get greater discount.

**Independent Practice Association** – A form of managed care where doctors in their own practices agree to provide services for the HMO. Doctors work for reduced fees and can also see patients that do not belong to the HMO. Doctors can refer their patients to other physicians who do not necessarily belong to the IPA, although the benefits may not be as great.

**Gatekeeper** – A system used by some HMO's and PPO's to control access to specialized medicine and other health care providers. You must visit your primary care practitioner (PCP) for a referral before seeing a specialist. Your PCP assumes responsibility for all referrals.

**Primary Care** – General health care that encompassed three levels: Promotion of wellness and health, prevention

of and guidance for disease; health management and reassessment of simple, common, and chronic problems.

complete health care system that includes appropriate and cost effective chiropractic care!

**Preventative Care** – Taking care of your health routinely by having regular check ups, eating right, exercising, maintaining correct working and recreational posture, and avoiding unhealthy activities (like not smoking).

**Third Party Payor** – Any organization, public or private, that pays an individual's health care expenses. An insurance company is a third party payor.

**Coinsurance or Co-payment** – Fees not covered by your insurance company after you deductible has been met.

**Deductible** – The dollar amount you pay before your plan begins paying

**Fee-For-Service** - A billing method used by health care providers to charge for services rendered.

**Point of Service** - Allow a patient of an HMO or a PPO to go outside the network and receive treatment from a doctor of choice. Reimbursement for this care will be less than when care is given by an HMO doctor.

**Claim** – Your demand for benefits provided by your health care plan.

**Physician Visit** – A face-to-face interview between you and the doctor that may occur in the doctor's office, at home, in the hospital, or at any medical facility or clinic.

**Pretreatment Review or Pre-Authorization** – A program requiring you or your doctor to obtain approval before you receive care for certain inpatient and outpatient conditions. Often the person doing the authorizing is not a health care professional.

**Prevailing Fee** - The usual dollar amount charged for a particular treatment or service, based on geographic location. (Also called customary charge).

**Utilization Review** – A method of reviewing health care services to cut out procedures or unnecessarily long stays. This review is done after the care has been received; if the insurance company finds the care unnecessary, the patient is responsible for the charged incurred.

## SUMMARY

Chiropractic care is an essential part of any complete health care program. The chiropractic care you receive as a part of your health insurance program may not provide you and your family with any or all of the benefits associated with this conservative, holistic approach to better health. If you are under a managed care insurance plan and chiropractic care is not an included option, contact your employer. Your voice can be heard and you can make a difference. Encourage friends and family to do the same. Insist on a