



# HMOs

(Health Maintenance Organizations)

**Making them as easy as 1, 2, 3**



Developed for you by Fallon Health

When you are choosing health insurance coverage, there is a lot of information to sort through, including the different types of plans available to you, how they work and their coverage details. On the following pages, you will learn about HMOs (health maintenance organizations)—one of the most popular types of health insurance coverage available today.

**With this booklet, Fallon Health makes HMOs as easy as 1, 2, 3—by answering the following questions:**

**1.**

### What is an HMO?

Learn what an HMO is, how HMO plans are based on provider networks and the difference between different kinds of provider networks. See page 3.

**2.**

### How does an HMO work?

Learn how to choose a primary care provider and how to seek services from a specialist. Also, learn what services are typically covered by HMO plans and what to do if you're sick. See pages 4–5.

**3.**

### How can HMO plans improve quality of care?

Learn how HMO plans work to keep you healthy, lower the cost of care and learn what you are typically responsible to pay as an HMO member. See pages 6–7.



#### Did you know?

Fallon Health was the **first health insurer** in Massachusetts to offer a limited-network HMO plan to its members! At Fallon, we believe in the value of the community—and that local care is better care.

# 1.

## What is an HMO?

An HMO is a type of health insurance plan that covers your hospital, medical and preventive care. HMOs offer some of the lowest out-of-pocket costs for care.

With an HMO, you can only see the health care providers that the HMO has agreed to work with. This group of providers is called a provider network. If you see a provider who is not part of your HMO's provider network, your services will not be covered—except in emergencies, when you can see any provider. In some specific circumstances, your primary care provider would obtain a prior authorization for you to see an out-of-network provider; in those cases, your services would be covered.

### How do provider networks work?

Provider networks are made up of doctors, hospitals and other medical facilities like urgent care and high-tech imaging centers. These providers work together to coordinate and manage an HMO member's care.

Health insurers may offer more than one type of provider network, like limited and tiered networks.

Most **limited networks** contain a subset of providers that are part of the insurer's larger HMO network. Therefore, members of these plans have a smaller number of doctors and hospitals from which they can receive care. In most cases, members also have lower out-of-pocket costs. But don't let the name fool you—some limited networks offer their members access to thousands of providers.

In **tiered networks**, providers are assigned to different levels—or tiers—based on specific criteria like quality of care and efficiency. Out-of-pocket costs for members vary depending on the tier of the provider from whom they receive services. A doctor or a hospital may fall into one tier with one health plan and a different tier with another health plan. So it's important to check each health plan's tiers and associated out-of-pocket costs before receiving services.



### Did you know?

Provider networks include all kinds of health care providers, such as specialists, hospitals, primary care providers and MRI centers. These providers work together to help coordinate the care of their patients who belong to an HMO.

# 2.

## How does an HMO work?

When you join an HMO, you find a doctor, nurse practitioner or physician assistant to work with on routine and ongoing medical issues. This person is your primary care provider (PCP). Your PCP is responsible for the coordination of your care. If you're sick, you see your PCP. If you need to see a specialist such as a dermatologist, you call your PCP for a referral. Your PCP will refer you to a provider within his or her referral circle. A referral circle includes specialists, hospitals and other providers that your PCP works with on a regular basis. Working with a referral circle helps your PCP manage your care and control health care costs, which allows your insurer to pass savings along to you.

### How do I find a PCP?

Finding a primary care provider is important. The health care professional you choose will be your main contact for all medical issues and inquiries. If you don't already have a PCP, you can usually use your health insurer's online search tool, or you can call their customer service department. You can also ask friends or coworkers for suggestions—just make sure that the PCP you choose is in your plan's network and is accepting new patients.

### Need help finding a PCP?

- Ask family and friends for suggestions.
- Visit your plan's website for provider listings.
- Search for a doctor who is close to your home or work.
- Fallon members can use the *Find a doctor* link at [fallonhealth.org](http://fallonhealth.org) when searching for a PCP, specialist, dentist or other provider.

### Please remember ...

Most HMOs will not pay for specialist visits unless you have a referral from your PCP.

### What if I need to see a specialist?

If you need care that your PCP can't offer, he or she will refer you to a specialist. A specialist is a doctor who treats parts of the body or specific health problems, such as a dermatologist who treats skin problems or an oncologist who treats people with cancer. Again, with HMO plans, typically, you must first get a referral from your PCP before receiving services from a specialist.

### What does an HMO cover?

HMOs cover the costs for services like PCP visits, access to specialists, inpatient hospital care, emergency room visits, X-rays and more. Your HMO should give you a document called an *Evidence of Coverage* (sometimes called a *Member Handbook*), which explains which services are covered, which aren't, and how to go about getting them. In most cases, these documents are available on your plan's website. It is very important to read and understand your *Evidence of Coverage* before you seek care. If you joined an HMO through a group, such as an employer, you may also get a *Schedule of Benefits* that lists details specific to your group's plan.

## What if I'm sick and ...



### **My doctor's office is closed?**

If it's a medical emergency, go to the nearest emergency room (ER). Check your plan details for policies about ER visits. Fallon Health members do not have to call to get permission to be seen at the ER.



### **My doctor's office is closed, but it's not an emergency?**

If you feel you can't wait until the morning, go to a mini clinic, an urgent care center or call your PCP's office for guidance from the on-call physician. If you're a Fallon member, you also have free online and telephone access to Nurse Connect. Registered nurses will answer your health-related questions and help guide you—24 hours a day, seven days a week, 365 days a year!



### **I'm away from home?**

When traveling, you are generally covered only for emergency services. It's a good idea to alert your PCP if you have a medical situation or emergency while you're away. You should always check your plan details before traveling.



### **I'm a student living outside the plan's service area?**

Generally, HMOs will cover students living outside of the plan's service area when there is an emergency, and sometimes for other services. Check your plan for specific coverage details. Fallon Health covers students living outside of the service area for certain services, if authorized in advance by the plan.

# 3.

## Quality of care with HMO plans

As a member of an HMO plan, you'll receive coordinated care from your providers. This means that a group of health professionals will work together to provide you with customized care—according to your health needs.

HMOs do more than help you get better when you're sick, they also focus on preventing illness. There are many ways an HMO works to help keep you well. Listed below are a few examples of what some HMOs do to help you stay healthy.

### How do HMOs help you stay healthy? By including benefits and extras like:

- Annual exams—Fallon members pay \$0 for annual wellness exams.
- Preventive services that screen for diseases and help prevent illness.
- Vision care—Fallon members receive up to 35% off eyeglass frames and discounts on contact lenses, nonprescription sunglasses and laser vision correction.
- Nurse lines to answer your health concerns.
- Tobacco cessation programs.
- Fitness benefits—Fallon members get the richest, most flexible fitness reimbursement in the state!
- Discounts on items like vitamins, massage therapy and holistic healing.

Through provider coordination, communication and management, coordinated care plans help improve quality of care while providing cost-savings to members.

### How an HMO can save you money

HMOs keep their costs as low as possible by encouraging preventive care and working with a set network of providers. This is good news, since price tags play a key role in almost every decision a consumer makes.



#### Did you know?

Preventive care includes routine services, examinations and immunizations that are intended to prevent illness and screen for diseases or conditions. Some examples include flu shots and cholesterol- and vitamin-level screenings—when done as part of your annual wellness exam or routine physical.

## What are you responsible to pay?

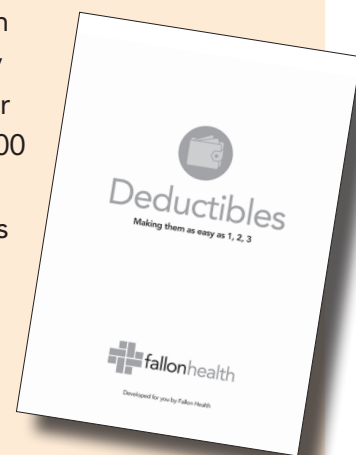
As an HMO member, you will be responsible for certain costs. The first is your premium, which is the amount you pay to be a member of the HMO plan. This payment is often made on a weekly or monthly basis. If you receive insurance coverage through your employer, your premium may be automatically deducted from your paycheck. And, in many cases, your employer will pay a portion of the premium.

Besides your premium, you may have to pay a deductible, copayment and/or coinsurance every time you see your doctor or receive certain medical services such as X-rays and blood work.

### After your premium, you may be responsible to pay ...

#### A deductible

Your plan may or may not require you to pay a deductible. Deductibles help to keep premium costs down and give you more control over what you pay for your health care. A deductible is the amount you must pay out of your pocket before your plan will pay for certain services. For example, if you have a \$500 annual deductible, you will have to pay for the first \$500 worth of designated medical services you receive each year. **For more information about deductibles, refer to Fallon's guide, *Deductibles: Making them as easy as 1, 2, 3.***



#### and/or a copayment

This type of payment requires you to pay a set dollar amount for services like doctor office visits, prescriptions that you fill, etc. Copayment amounts usually vary by the service provided.

#### and/or coinsurance

Coinsurance is your share of the cost for a service you receive. This is usually a percentage. For example, if your coinsurance is 20% for a doctor office visit, you pay 20% of the total charges and your HMO pays 80%.

You would pay either a copayment or coinsurance for a benefit—not both.

## More important information for you to know



Once you've chosen a doctor, nurse practitioner or physician assistant, you should call that health care provider's office to make sure he or she is accepting new patients. Then you can officially name that person as your PCP by calling your insurer's customer service line—Fallon Health members can also make this change online.



HMOs and preferred provider organizations (PPOs) cover many of the same services. However, with a PPO, you have more doctors to choose from. You not only have access to the provider network, but you can also see doctors outside of the network—at a higher out-of-pocket cost to you. Fallon Health members who belong to the Fallon Preferred Care plan have access to more than half a million providers!



Sometimes HMOs will limit how much you have to pay out of pocket per year—this is called an out-of-pocket maximum (OOPM). If you meet your OOPM, you will not have to pay copayments or coinsurance for covered services for the rest of that benefit year.

We hope that this booklet has made HMOs a little easier to understand. It is always a good idea to know the benefits and features of your health insurance coverage. To learn about Fallon Health's HMO options or other available plans, please call:

**Fallon Customer Service**

**1-800-868-5200**

**(TRS 711)**

Or, visit [fallonhealth.org](http://fallonhealth.org).

