

Procedure/Lecture Outline

- 1) Guide students through the Power Point presentation (link)
 - a. Introduce the lesson by explaining the practice of medicine is complicated and expensive
 - b. Medical insurance often covers routine care, such as annual physicals, and most major medical expenses
 - c. Every health plan is different, but most fall into categories
 - d. Health insurance plans are binding, legal contracts between the insurer and the insured
 - e. Health insurance plans, like other kinds of insurance, include premiums and deductibles
 - f. Unlike other types of insurance, most health insurance plans have a co-payment
 - g. A co-payment is the portion of a claim or medical expense that a member of a health plan must pay out-of-pocket.
 - h. Usually this is a fixed amount, such as \$5 or \$10, for each visit.
 - i. Fee-for-Service Plans
 - i. You can go to any physician, hospital, lab, or pharmacy
 - ii. Usually works on an 80-20 ratio
 1. Insurer pays 80%
 2. Insured pays 20% (until maximum out-of-pocket is met)
 - iii. The biggest advantage is plan flexibility
 - iv. The biggest disadvantage is the cost
 - v. More paperwork involved than in other plans
 - j. Managed Care Plans
 - i. Members have a network of healthcare providers they can go to
 - ii. Physicians and other providers agree to charge reduced fees for members because they are guaranteed patients and they know they will be paid for their services
 - iii. Health Maintenance Organization (HMO)
 1. The most common type of managed care plan
 2. Primary care physician (PCP) serves as gatekeeper
 3. Advantages:
 - a. Lower Cost
 - b. Most include preventative and health improvement services
 - c. Less paperwork
 4. Disadvantage:
 - a. Lack of flexibility
 - iv. Preferred Provider Organization (PPO)
 1. Combine the features of HMOs and fee-for-service plans
 2. Members can visit any healthcare provider in their network with a co-payment
 3. Referrals are not required from PCP as long as provider is in network
 4. Tend to cost more than HMO plans but less than FFS plans

Procedure/Lecture Outline (Page 2)

k. Matching a Health Plan to your Needs

i. Group Plans

1. Does your employer or group offer a plan?
2. Do you have a choice of plans?
3. How much can you tailor each plan?
4. Evaluate your medical needs
5. List the people in your household and what their medical needs are
6. Are there any chronic conditions that would affect coverage?

ii. Types of Health Plans

1. Common coverage types:

Hospitalization	Rehabilitation facility care
Hospital outpatient services	Physical therapy
Physician hospital visits	Speech therapy
Office visits	Home health care
Skilled nursing services	Hospice care
Diagnostic tests	Maternity care
Prescription drugs	Chiropractic care
Mental health care	Preventive care and checkups
Drug and alcohol abuse treatment	Well baby care
Contraceptives	Dental care
Fertility treatments	Vision care

iii. Individual Plans

1. You can customize your plan to match your personal needs
 2. Your state department of insurance will have a list of insurers in your area
 3. Get at least three quotes for each type of plan
 4. You will have to provide evidence of insurability
 5. Underwriting Factors:
 - a. Age
 - b. Health
 - c. Occupation
 - d. Habits
 - e. Lifestyle
 6. The higher the risk factors that an insurer has the higher the premium will be
- #### iv. Play Health Insurance Jeopardy as a review