Box 14.1

Managed Care Organizations (MCOs)

Definition: Provide comprehensive, preventive, and treatment services to a specific group of voluntarily enrolled persons.

Managed Care Structures

Staff model: Physicians are salaried employees of the MCO.

Group model: MCO contracts with single group practice.

Network model: MCO contracts with multiple group practices and/or integrated organizations.

Independent practice association (IPA): MCO contracts with physicians who usually are not members of groups and whose practices include fee-for-service and capitated clients.

Characteristics: Focus on health maintenance and primary care. All care provided by a primary care physician. Referral needed for access to specialists and hospitalization.

Medicare MCO

Definition: Program same as MCO but designated to cover health-care costs of senior citizens.

Characteristics: Premium generally less than supplemental plans.

Box 14.2

Provider Organizations

Preferred Provider Organization (PPO)

Definition: One that limits an enrollee's choice to a list of "preferred" hospitals, physicians, and providers. An enrollee pays more out-of-pocket expenses for using a provider not on the list.

Characteristics: Contractual agreement exists between a set of providers and one or more purchasers (self-insured employers or insurance plans). Comprehensive health services at a discount for companies under contract.

Exclusive Provider Organization (EPO)

Definition: One that limits an enrollee's choice to providers belonging to one organization. Enrollee may or may not be able to use outside providers at additional expense.

Characteristics: Limited contractual agreement; less access to specialists.

Box 14.3

Medicare

Definition: Federally funded national health insurance program in the United States for people older than 65 years. Part A provides basic protection for medical, surgical, and psychiatric care costs based on diagnosis-related groups (DRGs). Part B is a voluntary medical insurance plan that covers physician and certain outpatient services. Part D is an unfunded insurance for medications.

Characteristics: Payment for plan deducted from monthly Social Security check; covers services of nurse practitioners (varies by state); does not pay full costs of certain services; supplemental insurance is encouraged.

Box 14.4

Medicaid

Definition: Federally funded, state-operated medical assistance program for people with low incomes. Individual states determine eligibility and benefits.

Characteristics: Finances a large portion of maternal and child care for the poor; reimburses for nurse midwifery and other advanced practice nursing (varies by state); reimburses long-term care facility funding.

Box 14.5

Private Insurance

Traditional Private Insurance

Definition: Traditional fee-for-service plan. Payment, computed after services are provided, is based on the number of services used.

Characteristics: Policies typically expensive; most policies have deductibles that clients must meet before insurance pays.

Long-Term Care Insurance

Definition: Supplemental insurance for coverage of long-term care services. Policies provide a set number of dollars for an unlimited time or for as little as 2 years.

Characteristics: Very expensive; good policy has a minimum waiting period for eligibility, payment for skilled nursing, intermediate or custodial care, and home care.