Employee's Guide to Health Plans

	Definition	Primary Care Physician (PCP)	Network of Providers	Referrals	Deductibles, Coinsurance, Copayments, Claim Forms
Fee-for-service (FFS)	Health coverage that reimburses health care providers for services for employees. Tends to be the most costly for employers.	Not required; employees can choose any provider.	No network; employees can choose any provider.	Not required.	Deductibles and coinsurance may be required. Claim forms may be used.
Health Maintenance Organization (HMO)	Covers services performed solely by providers in a network. This tends to be a low cost system, but is more restrictive than other plans.	Required; the PCP coordinates all medical care and must make referrals to specialty providers for employees.	Services by out-of-network providers are not typically covered under the plan.	Required; PCP Coordinates all medical care.	May require employee cost sharing through deductibles, copays or coinsurance.
Preferred Provider Organization (PPO)	Has a network of providers, but also allows use of medical providers outside of the plan's network (typically with greater employee cost-sharing). Referrals may not be required. Is more flexible than an HMO, but also more expensive generally.	Not typically required. Some PPO vendors offer incentives for employees to visit a PCP to coordinate medical care.	There is a network, and the plan allows for use of out-of-network providers with greater cost sharing by employees.	May not be required.	Coinsurance, deductibles and copays are the standard; usually lower when using in-network providers.
High Deductible Health Plan (HDHP)	A high deductible health plan is often paired with a tax-advantaged account to pay for medical expenses. The	Not required but there are incentives for using providers	Not required but are offered to bring savings to employers	Not required.	Typically low or no coinsurance after the deductible is met. Deductibles are substantially

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	most prominent options are health reimbursement arrangements (HRAs) and health savings accounts (HSAs) used in conjunction with savings accounts.	that are reasonably priced.	and employees.		higher than other plans.
Health Savings Account (HSA)	An HSA is a tax-advantaged account used to pay for qualified medical expenses. An HSA must be used in conjunction with an HDHP. An advantage of an HSA is that the funds remaining in the account at the end of the plan year are rolled over into the account for the next year.	Not Required. They may be used to pay for any qualified medical expense.	Not required. They may be used to pay for any qualified medical expense.	Not required. They may be used to pay for any qualified medical expense.	N/A
Point-of-service Plan (POS)	Plan combines elements of an HMO and PPO. Each time employees need health care, they can choose how it will be received. If an employee initially sees a PCP and stays in-network, then more substantial benefits will be received versus not seeing a PCP first.	Required when accessing HMO-like benefits of the plan. Not required when accessing PPO-like benefits of the plan.	Employees must stay in-network.	Required for the HMO portion of the plan; not required for the PPO portion.	No deductibles; minimal coinsurance or copays for HMO portion. Deductibles, coinsurance and copays are typical for the PPO portion—lower for in-network providers.
Health Reimbursement Arrangement (HRA)	A health reimbursement arrangement is a program that allows employers to set aside an amount of funds to reimburse participating employees for medical expenses. An HRA is often combined with another health plan.	May not be required. Subject to the paired health plan and employer.	May not be required. Subject to the paired health plan and employer.	May not be required. Subject to the paired health plan and employer.	N/A
Health Flex Spending Account (Health FSA)	A health flex spending account is an account set up through a health plan that allows employees to contribute funds that are not subject to payroll tax. Any unused funds are lost after a grace period. Employers also have the option of allowing employees to carry over up to $500 of unused funds from one year to the next.	May not be required. Subject to the paired health plan.	May not be required. Subject to the paired health plan.	May not be required. Subject to the paired health plan.	N/A