

## **PPO or HMO?**

To assist you in deciding whether the Aetna HMO Maine or Open Choice PPO medical plan is the better fit for you, here are some suggestions on what to consider when making your decision. Each employee has different needs and value differently how they receive healthcare services. The following decision points may be more important to some and less important to others, but, if you rate each on its importance to you, it may assist you in making your decision.

- 1) Payroll deductions:** The HMO has a higher payroll deduction as it is the more expensive plan. If you are likely to incur few or no medical expenses in the coming year, then you may rate the PPO plan higher as it has the smaller payroll deduction.

If cost is important to you, another way to view the difference in payroll deductions is whether the higher cost of the HMO plan would be off-set by lesser out-of-pocket expenses. For example, HMO Employee +Spouse level coverage is \$30.00 more than the PPO each month for a full-time employee or \$360.00 a year. Are you and your spouse likely to incur out-of-pocket expenses under the PPO plan that are more than the \$360.00 a year in payroll deductions that you would save? See the cost-sharing table under Healthcare Reimbursement Account information to estimate your out-of-pocket expenses.

- 2) Access to Care:** The PPO does not require you to choose a Primary Care Physician or seek a referral for services. It also provides you with in-network level benefits to any Aetna provider nationwide. If this choice in accessing your care is important to you, or you or a family member may be frequently traveling outside of the Aetna HMO Maine network, then you may rate the PPO plan higher.

If, however, you have an established relationship with your Primary Care Physician and are comfortable working through your PCP for your healthcare needs within the Aetna HMO network, then the choice provided by the PPO may not be as important.

- 3) Coverage:** There are slight differences in the coverage provided under the HMO and the PPO. You should review the plan comparisons to see how these coverage differences may affect your rating of the plans.

For example, the HMO provides coverage for 36 chiropractic visits a year by paying a \$25 co-payment each visit. The PPO covers up to 40 visits but they are subject to your \$500 deductible and a 20% co-insurance once the deductible has been met for the year.

- 4) Cost Sharing:** If you are likely to just incur services within your doctor's office then you may want the HMO as more services are covered at 100%. To get an idea of what your out-of-pocket costs may be, you might try listing the services you and your family members are likely to receive in the coming year and then use the comparison of covered services to estimate your total out-of-pocket expenses under each plan. Use the Healthcare Reimbursement Account Estimate Worksheet to get you started.

A common example of how the plans differ in regards to the deductible is diagnostic tests. Blood tests, x-rays and other lab work are paid for by the HMO when ordered by your PCP (unless billed under the hospital ID then it is subject to the deductible). Under the PPO the charges for these types of services are subject to the deductible first and then paid at 80% if performed by a network provider.