

Managed care vs traditional essay

Business



Presently in the United States there are several different health care plans and the decision to accept Managed Health care plans become difficult. Managed care is the most utilized form of health insurance in the United States for it provides cost that is efficient versus paying for services rendered in one lump sum. However like everything in life, there are pros and cons to consider when it comes to managed care versus traditional insurance.

What is Managed care? Managed care is a health care system which provides a person with the ability to pay an organization a set fee on a monthly basis to receive health services, and the organization will provide you a list of physicians to choose from. Which for many of us that are employed and chose to participate with the employers' health benefit care plan are aware that they will have a set fee deducted from their paycheck weekly or bi-weekly on a monthly basis. Managed care dates back to the 1900's when the financial crisis surrounding health care was so high that it opened the door for managed care. By the late 1960's there were many Americans uninsured due to the high costs of insurance. Now, when manage care was introduced it was the best plan anyone could come up with for the pros of having this type of benefit is that it was designed to make health care more affordable, it also provides low out of pocket expense which makes treatment plans easily accepted. (The McGraw Hill Company, 2004). Managed Care versus traditional insurance from the perspective of a consumer is something we need to explore.

Traditional insurance, as back in the day it provided a fee for services rendered or indemnity coverage. This type of coverage gave one the

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freedom to choose any physician they wanted to see and also any specialist without any referrals. However, with traditional plan more out of pocket expenses would be included than with managed care. Furthermore, once the person has exceeded their deductible, the company will only pay eighty percent of the remaining bill, which by this time you would probably be paying a large sum. Managed Care from a consumer's perspective is more affordable, there is no deductible and there is also no obligation to pay a percentage of the medical bill. Therefore the difference between the two, Traditional and Managed is simply financial. From a physician's stand of point traditional insurance (fee-for-service), the consumer or patient pays the physician directly unless the patient has exceeded their deductible from their insurance, in which case the patient would pay a portion of the bill, and the remaining balance is reimbursed from the insurance to the physician.

Being a physician who participates in Managed Care accepting various medical insurance like HMO, PPO the physician is provided with several amenities which include an office and administrated support, salary, better working hours. With PPO some of the amenities may include treating patients outside the plan, stable patient load, and independence to run office. The drawbacks from these insurances (HMO, PPO) are you have a limited to select from a network of physicians, therefore if you changed professions and had to work somewhere else that offered a different insurance which your current doctor did not participate with, you would now need to switch over to someone else.

Required services from a specialist would require a referral before you can be seen. (Theunissen, 1999). PPO, though it offers some flexibility as far as <https://assignbuster.com/managed-care-vs-traditional-essay/>

being able to see an out of network or in-network physician without out of pocket expense, the drawback is that it's more expensive than HMO and it carries an annual deductible which must be met before the plan begins to cover medical needs. (Mahoney, 2011). With all that being said, personally, I would prefer Managed Care versus Traditional insurance due to the fact that the economy continues to increase, gas prices, and utilities, rent, and so on. With Managed Care there is always going to be an affordable amount and I won't need to worry about out of pocket expense which in most cases, I will not have the money to pay up front. References: Theunissen, S.

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