

# Pros and cons of managed care essay



**ASSIGN  
BUSTER**

? Managed healthcare in today's world seems to be leaning in favor of the insurance carriers, not the provider or patient. Caregivers that attempt to operate a cash practice are taking a huge risk. In today's healthcare world, it is almost imperative that doctors are participating in medical insurance plans, for their businesses to survive.

The advantages of managed care plans include: 1. Co-payments are pre-determined, a person always know how much they will be paying out-of-pocket for services. The employee's out-of-pocket medical expenses are generally limited to office visit co-payments and a minimal dollar amount, if any, for hospitalization. 2. Older adults who are on limited incomes, but are not eligible for Medicaid, are able to obtain insurance coverage.? 3.

Decisions regarding health care are generally made by the HMO, and the patient has access to a wide variety of skilled professionals. 4. Much of the paperwork is eliminated. 5. Quality of care issues have been brought to the forefront. Physicians and other health care providers are now more aware of the type of care they provide and the outcomes of that care.

. Some limited prescription drug benefits are offered by the plans. However, they usually use a formulary that consists primarily of generic drugs. 7.

Cost of managed care is usually less than indemnity plans for seniors and for other persons. 8. HMOs generally offer certain " well-care" services as a covered benefit that may not normally be a part of other types of health plans, such as immunizations, annual physicals and well-child visits. Some services may be offered which indemnity plans do not offer, such as eye

exams, eyeglasses, dental care or other services. . Older adults sign over their Medicare benefits to the health maintenance organization.

The health maintenance organization collects a sum of money each month to provide care to the individual from Medicare. The individual can only see physicians that are approved by the health maintenance organization.? The disadvantages of managed care plans include: 1. Services are limited based upon what the payer agrees to pay.

For example, employers will usually outline the number of visits or the amount of money they will pay for certain types of procedures. Medicare beneficiaries are, theoretically, entitled to the same benefits that Medicare provides. However, the review for “ medical necessity” is more highly scrutinized and services are usually more limited in managed care. 2. Individuals may have to change physicians since all physicians do not participate in all managed care plans and many physicians will only take a limited number of patients with a specific managed care organization.

The patient has NO coverage if they seek medical care from providers outside of the HMO providers. 3. Benefits are usually more limited than those in an indemnity plan — number of therapy visits, days in the hospital, etc. 4.

Some managed care plans are “ risk contracts”. The providers share the risk of caring for the individual. 5. Most plans use generic drugs that have a 20% tolerance for the bioequivalence to name brand drugs. Certain drugs, usually name-brand drugs, may not be covered under this plan.

6. Specialist care and sub-specialty care may not be available through the managed care plan, because these physicians may not participate in managed care plan. . The patient has no freedom of choice as to which providers he seeks care.

The patient has no freedom of choice if there are several treatment options available from which to choose. The patient has no freedom of choice as to where the services are rendered. As a caregiver, which plan I would prefer would depend quite a lot on my financial situation. If my budget allowed, I would go with the traditional insurance as there seems to be more independence and input on physicians, hospitalizations and medications.

Cohen, D. (2008, February 19).

Health Insurance Types – HMO And PPO – Pros And Cons. Retrieved October 26, 2008, from <http://ezinearticles.com/?Health-Insurance-Types-HMO-And-PPO-Pros-And-Cons&id=996097> Doherty, E. (2008). Managed Care and Patients Rights.

Retrieved October 26, 2008, from <http://www.senioranswers.org/Pages/prosandcons.htm> Graham, M.

(2006, June 21). Managed Care Pros and Cons. Retrieved October 26, 2008, from <http://ezinearticles.com/?Managed-Care-Pros-and-Cons&id=225175>