

MANAGED CARE ORGANIZATIONS



This infographic will help simplify the different types of Managed Care Organizations (MCO's)

MCO'S

are a business organization that manages access and provisions of healthcare services for both the consumer and provider. This enables access to quality care at reasonable costs. Through an MCO, consumers gain access to providers, and providers gain consumers while regulating costs for both and monitoring the quality of care received for positive outcomes and regulatory requirements (Colorado State University Global [CSUG], 2023).

Four Main Types of MCO's

- HMO**
HEALTH MAINTENANCE ORGANIZATION
- PPO**
PREFERRED PROVIDER ORGANIZATION
- POS**
POINT OF SERVICE PLAN
- HDHP**
High-Deductible Health Plan

- HMO PLANS HAVE:** low costs, limited in-network only, PCP gatekeeper.
- PPO PLANS HAVE:** larger network, no PCP required
- POS PLANS HAVE:** more options in/out of network, higher costs, PCP required
- HDHP PLANS HAVE:** high-deductable, more out of pocket, possible tax breaks

AT A GLANCE

Plan Type	Cost Benefits or Incentives	Prior Authorization	Medical Necessity	Utilization Management	Denials Processes
HMO	Lower premiums, lower out-of-pocket costs for in-network care	Required for certain services, such as seeing a specialist	Determined by the plan's medical director	Managed by the plan's care management team	May be denied if the service is not considered medically necessary
PPO	Higher premiums, lower out-of-pocket costs for in-network care	Not required for most services	Determined by the plan's medical director	Managed by the plan's care management team	May be denied if the service is not considered medically necessary or if it is out of network
POS	Mid-range premiums, mid-range out-of-pocket costs	Not required for in-network care, but may be required for out-of-network care	Determined by the plan's medical director	Managed by the plan's care management team	May be denied if the service is not considered medically necessary or if it is out of network
HDHP	Very low premiums, high out-of-pocket costs, including a high deductible and out-of-pocket maximum	Not Required	Determined by the plan's medical director	Managed by the plan's care management team	May be denied if the service is not considered medically necessary or if it is out of network

(MASTERSON, 2023)



MANAGED CARE ORGANIZATIONS ARE A COMPLEX AND EVER-EVOLVING PART OF THE HEALTHCARE SYSTEM. BY UNDERSTANDING THE DIFFERENT TYPES OF MANAGED CARE ORGANIZATIONS, YOU CAN MAKE AN INFORMED DECISION ABOUT WHICH PLAN IS RIGHT FOR YOU.

WHICH TYPE OF PLAN WOULD YOU WANT, AND WHY?