

HEALTH INSURANCE BASICS

Preferred Provider Organization (PPO) Plan

A PPO is a type of healthcare coverage an employer may offer its employees.

In a PPO, a group of doctors, hospitals and other healthcare professionals have contracted with an insurance company or a third-party administrator to provide their services to PPO customers at a discounted rate.

Healthcare professionals within the PPO plan are sometimes called “in-network providers.” This means if you receive services from an in-network provider, your insurance company will pay a larger percentage of your healthcare charges. Depending on the type of PPO plan you have, your insurance company may or may not pay a percentage of the cost of services if you visit an out-of-network provider. Either way, out-of-network visits may cost you more out-of-pocket money. That’s why if you are a member of a PPO plan, it is usually beneficial from a cost perspective to find care from a PPO provider when possible.

It is also important to note, if you need a specialist, some plans may require you to see a primary care physician who must refer you to a specialist in order for you to receive your highest level of benefits. Other plans may let you visit any doctor you’d like.

Typically, if you have a PPO, you pay a premium to maintain your coverage. Check with your HR manager or department to learn if your company offers a PPO plan and if so, the details of that plan.