

What is Managed Care?



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Health care in America is changing rapidly. Twenty-five years ago, most people in the United States had indemnity insurance coverage which meant a person could see any doctor and share the cost with the insurance company.

Today, more than half of all Americans with health insurance are enrolled in some type of managed care plan, an organized way of providing health care services and managing their cost. All Managed Care plans share the goal of finding ways to reduce cost and unnecessary health care utilization to allow for improvement of the quality of care and services provided to its members.

Health insurance plans usually are described as either indemnity or managed care. Indemnity and managed care plans differ in their basic approach. The major differences are related to the choice of providers, out-of-pocket costs for covered services, and how expenses are paid. Managed care plans have agreements with selected doctors, hospitals, and health care providers to render services to plan members at a reduced cost.

Managed Care (HMOs)

HMOs are the oldest type of managed care plans. These plans offer members a range of health benefits, including preventive care. Through the establishment of the new managed care plans in Ohio, WellCare

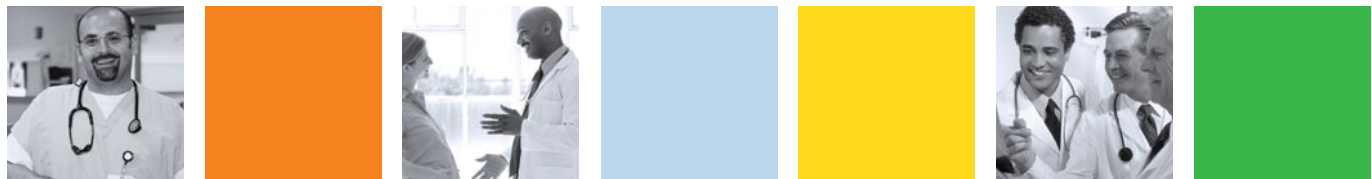


provides its members access to the services available through HMOs – at similar or lower cost – with the benefit of additional services. Because managing health care services for members also means managing their health and wellness, these new services include health education and prevention programs to help members lead healthier lives.

As the name implies, these plans focus on managing the care of members. In order to do that effectively, each plan member will select a Primary Care Physician who will oversee the care they receive through WellCare of Ohio.

Primary Care Physicians

Primary Care Physicians, or PCPs as they are known, serve as a member's primary doctor, coordinating all of their health care from checkups to specialist referrals. They work with the member's health plan to ensure members get the care they need. Each member will select or is assigned a PCP who participates with the Care Management Organization or CMO, in which they choose to enroll. CMOs provide members with a list of doctors from which to choose a PCP (usually a family physician, internist, or pediatrician) at the time of enrollment. Members are free to select any participating PCP.



Benefits of Managed Care

For providers, the benefits of managed care are numerous. CMOs support providers in the management of administrative processes by offering tools that simplify daily activities such as claims processing and tracking, eligibility verification, membership reports and more. In addition, with managed care, providers enjoy a more predictable and stable cash flow.

Members in our managed care program have:

- A designated Primary Care Physician
- Access to a 24/7 nurse line for medical advice
- Case management services, if qualified
- Access to a member services call center dedicated to helping members with access to services
- A provider directory listing of primary care physicians, hospitals and specialists

For additional information on these and other topics, please refer to the WellCare of Ohio Provider or Hospital Manuals. Each manual should be used as a reference source as it describes requirements and processes for the administration of our plan as outlined in our provider agreement. For a copy, log in to <http://ohio.wellcare.com> or contact a Provider Relations Representative.

Source: "Guide to Managed Care," America's Health Insurance Plans, www.ahip.org.

