

PacifiCare Medical Plans

Frequently Asked Questions*

ONE OF OUR MEMBERSHIP GOALS IS TO PROVIDE YOU WITH BENEFIT CHOICES THAT ARE REASONABLE, COST EFFECTIVE AND HELP YOU MEET A WIDE RANGE OF NEEDS.

*Refer to your benefit booklet/plan summary for complete details on your program.

Q. HOW MANY PLAN CHOICES DO I HAVE?

A. There are three (3) HMO plan choices, one (1) PPO plan, and one (1) HSA-Compatible PPO plan choices.

Q. WHAT ARE THE LOWEST PREMIUM PLANS AVAILABLE?

A. The lowest premium plans are the:

- o \$20 Co-payment/\$1500 Deductible HMO Plan.
- o \$35 Co-payment/\$1000 Deductible PPO Plan
- o \$3,500 Deductible HSA-Compatible PPO plan

Q. WHAT IS THE DIFFERENCE BETWEEN AN HMO AND A PPO PLAN?

A. HMO plans have slightly more structure, require selection of a Primary Care Physician (PCP) from the network of physicians. The PCP will refer you to specialists that are part of the same medical group and on staff at the same hospital. HMO plans provide the highest benefits, there are no claim forms, emergency care is available world-wide.

PPO plans allow more flexibility in choice of physicians. You are able to "self refer" to specialists. Due to this flexibility, PPO plans will generally have slightly higher premiums for comparable benefits or require that you pay slightly more out of pocket than HMO plans. It is important to remember that the PPO plans pay higher benefits for use of PPO physicians and hospitals. When using non-PPO providers lower benefits are paid and you will pay more out of pocket.

Q. WHAT IS THE BEST VALUE HMO PLAN AVAILABLE?

A. We recommend the \$20 Co-payment HMO plan as the best value of benefits for premiums paid. This plan combines excellent HMO benefits (no deductibles) at a noticeable savings in premium when compared to the very best (highest benefits) plans available.

Q. WHAT ARE THE ADVANTAGES OF AN HMO PLAN?

A. Pre-existing conditions are covered, No Deductibles, Unlimited lifetime benefits, Low co-payments for doctor visits, prescriptions, x-ray, lab, and emergency room visits.

Q. WHAT ARE THE DISADVANTAGES OF AN HMO PLAN?

A. Although most physicians are available through the network, not all are.

Q. WHAT IS THE BEST VALUE PPO PLANS AVAILABLE?

A. We recommend the \$35 Co-payment PPO plan as the best value of benefits for premiums paid. This plan offers excellent benefits at very affordable premiums.

We recommend the \$3500 Deductible HAS compatible PPO plan as the best choice for lowest premiums and maximum flexibility.

Q. WHAT ARE THE ADVANTAGES OF A PPO PLAN?

A. PPO plans have more flexibility in choosing doctors and hospitals. When selecting a higher deductible, PPO plans can have the lowest premiums of all major medical plans.

Q. WHAT ARE DISADVANTAGES OF A PPO PLAN?

A. PPO plans have annual deductibles and coinsurance amounts that are paid by the insured. Lower benefits are paid for use of non-PPO physicians O

Q WHAT DO I NEED TO KNOW WHEN ENROLLING IN A HMO PLAN?

A. HMO plans require you select either a Primary Care Physician (PCP) or Medical Group contracted with the plan. You can contact PacifiCare HMO customer service at (800) 624-8822 for assistance in the selection process.

Q. WHAT DO I NEED TO KNOW WHEN ENROLLING IN A PPO PLAN?

When enrolling in a PPO plan, it is necessary to show proof of "prior, credible" coverage for the prior 12 months through the use of a HIPAA letter provided by your current insurer.

If there is no proof of "prior, credible" coverage available, the PPO plan provided by the new insurer will exclude any "Pre-existing" conditions from coverage for up to one year.

Q. WHAT IS A PRE-EXISTING CONDITION?

A. A "pre-existing" condition is any medical problem which exists at the time you enroll in or purchase your health insurance.

Q. HOW DO I MAKE SURE ANY "PRE-EXISTING CONDITIONS I (OR MY DEPENDENTS) MAY HAVE, ARE COVERED IMMEDIATELY?

A. There are two (2) ways to do so:

1. Enroll in a HMO plan, there are no "pre-existing"condition exclusions in HMO plans
2. Enroll in a PPO plan and provide proof (for everyone enrolling) of their prior credible coverage for the preceding twelve (12) months period in the form of either a HIPAA letter or Certificate of Credible Coverage.

This will be provided to you from your current insurer. When doing so, the new insurer must credit you with the prior coverage qualification and waive any exclusion for “pre-existing” conditions.

Q. WHAT ARE HEALTH SAVINGS ACCOUNTS (HAS) AND COMPATIBLE QUALIFIED HIGH DEDUCTIBLE HEALTH PLANS (QHDHP)?

A. When you enroll in a Qualified High Deductible Health Plan (QHDHP) you are able to take advantage of the income tax benefits associated with a Health Savings Account (HSA).

The QHDHP itself is not an HSA, and enrollment in this plan does not establish an HSA.

Health Savings Accounts (HSAs) are designed to help individuals save money tax-free to be used for current and future health expenses.

An HSA is a savings account that allows individuals to save for qualified medical and retiree health expenses on a tax-free basis. To establish an HSA, you must be eligible under IRS regulations and must open an HSA at a qualifying financial institution.

Q. WHAT ARE THE ADVANTAGES OF A HEALTH SAVINGS ACCOUNT?

A. There are several advantages including:

- Your contributions to HSAs are tax deductible
- Any interest and investment gains accumulate tax-free;
- Withdrawals, including interest and earnings, are tax-free if used for qualified health expenses
- HSA balances roll over from year-to-year; there is no "use-it-or-lose-it" provision
- HSA funds belong to you and are portable; you are allowed to take the money with you.

Q. WHICH PLANS OFFER THE BEST TAX ADVANTAGES?

A. There are several ways to answer this question.

For example, Financial Advisors often recommend choosing the highest benefit plan (such as the PacifiCare \$10 co-payment HMO plan) because medical premiums are tax deductible for business owners and medical expenses (such as deductibles) may not be unless the insured meets certain requirements.

For many consumers, the HSA compatible PPO plans offer similar tax savings when insureds fund their HSA account fully each year.