

Third Party Healthcare Insurance Plans | Summary

1. **Medicare:** A federal health insurance program for people:
 - a. Aged 65 or older
 - b. Under age 65 with certain disabilities
 - c. Of all ages with end stage renal disease

Medicare is a federally funded program.

2. **Medicaid:** Provides health coverage for:
 - a. Low-income adults
 - b. Children
 - c. Pregnant women
 - d. People with disabilities

Medicaid is funded jointly by states and the federal government.

3. **Children's Health Insurance Plan (CHIP):** Provides low-cost health coverage to children in families that earn too much money to qualify for Medicaid. Each state offers CHIP coverage and works closely with its state Medicaid program.
4. **Third party payors:** Third party health insurance is defined as insurance coverage in which a third party, the health care insurance company, pays the actual provider of healthcare services for services rendered to the patient.
5. **Managed care:** A type of health insurance. Managed care plans have contracts with health care providers and medical facilities to provide care for members at reduced costs. The providers make up the plan's network.
6. **Health Maintenance Organization (HMO):** A health insurance organization where subscribers pay a predetermined fee in return for a range of medical services from physicians and healthcare workers contracted with the organization.
7. **Preferred Provider Organization (PPO):** A managed care health plan that contracts with medical providers, including hospitals and doctors, to establish a network of participating providers. A PPO allows members to see any health care provider, including a specialist, within their network without a referral.

- Today is May 7th. Mr. Smith is in bad health, and he turns 65 on July 20th of this year. Mr. Smith is eligible for:
 - Medicare.
 - Medicaid.

Feedback: If Mr. Smith is turning 65 in July and if he signs up for Medicare in April, May, or June, his coverage will start on July 1st, regardless of his health.

- If Mrs. Smith's income is below the 133% federal poverty level; she is eligible for:
 - Medicare.
 - Medicaid.

Feedback: The federal government requires states to provide Medicaid services to people who are, among other things, receiving supplemental security payment or have incomes at or below 133% of the federal poverty level.

- Mr. Jones is thinking about obtaining a managed care plan and he would like to be able to see a medical specialist without getting a referral from his primary care physician. Which plan should Mr. Jones select?
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)

Feedback: With a PPO you can see any specialist in your network without obtaining a referral from your primary care physician.