

Health plan vs health insurance

Historically, HMOs tended to use the term "health plan", while commercial insurance companies used the term "health insurance". A health plan can also refer to a subscription-based medical care arrangement offered through HMOs, preferred provider organizations, or point of service plans.

These plans are similar to pre-paid dental, pre-paid legal, and pre-paid vision plans. Pre-paid health plans typically pay for a fixed number of services (for instance, \$300 in preventive care, a certain number of days of hospice care or care in a skilled nursing facility, a fixed number of home health visits, a fixed number of spinal manipulation charges, etc.) The services offered are usually at the discretion of a utilization review nurse who is often contracted through the managed care entity providing the subscription health plan. This determination may be made either prior to or after hospital admission (concurrent utilization review). It works the same fields into Individual Health Insurance also.