What is an HMO? [1]

Dear Alice,

What are HMOs? What is their role in health care?

Answer

Dear Reader,

Health insurance can be an elusive mystery whose complexities are understood by few. You are a brave reader to push thorough that mystery toward greater knowledge. Here goes.

An HMO (which stands for health maintenance organization) is basically a network of many kinds of health care providers (think: doctors, dentists, psychotherapists, physical therapists, nurse practitioners, nutritionists, educators, pharmacies, and hospitals) to which one belongs for a flat fee. They are designed so that each member has a primary provider ? usually a physician or nurse practitioner ? who knows the person's health, family, and financial background well enough to coordinate her or his care. Primary care providers treat their patients when they can, and if further treatment is required, they can refer patients to specialists within the HMO. The hope is that working within such a network is more cost-effective, with a better coordination of specialist and primary care providers. One concern people have about HMOs is that they might restrict access to which provider they can see. In the United States, HMOs are popular with employers who purchase them for their employees.

The National Library of Medicine [2] describes HMOs as organized systems for providing comprehensive prepaid health care that have five basic attributes. They:

1. Provide care in a defined geographic area
2. Provide or ensure delivery of an agreed-upon set of basic and supplemental health maintenance and treatment services
3. Provide care to a voluntarily enrolled group of persons
4. Require their enrollees to use the services of designated providers, and
5. Receive reimbursement through a predetermined, fixed, periodic prepayment made by the enrollee without regard to the degree of services provided."

If you have an opportunity to join an HMO, you might want to consider these factors:

- **Your own health needs**? Does the HMO provide what you think you will need in the future? Do you have any special needs?
- **Access**? If you have your own provider or specialists, can you continue to use them or
must you switch to the HMO network? Would this be disruptive to your care?

- **Reliability**? Is the HMO known in your area? Do they have a history of quality care?
- **Cost**? Are the charges reasonable, or would you be better served by an insurance plan, especially if the plan is partially paid for by your employer?

Hopefully this helps you to understand and navigate your way through an ocean of insurance options. To health!

Alice!

Category:
General Health [3]
Body Maintenance [4]
Health Care Providers [5]

Related questions

Join Columbia Health? [6]
Temporary health insurance at Columbia? [7]
Sex therapy and insurance coverage [8]
Health insurance options after college [9]

Published date:
Mar 29, 1996
Last reviewed on:
Apr 23, 2015

**Footer menu**

- **Contact Alice!**
  - Content Use
  - Media Inquiries
  - Comments & Corrections
- **Syndication & Licensing**
  - Licensing Q&As
  - Get Alice! on Your Website
  - Full Site Syndication
  - Link to Go Ask Alice!

Go Ask Alice! is not an emergency or instant response service.

If you are in an urgent situation, please visit our [Emergency page](http://www.goaskalice.columbia.edu/emergency) to view a list of 24 hour support services and hotlines.

**Source URL:** http://www.goaskalice.columbia.edu/answered-questions/what-hmo#comment-0

**Links**