

The Federal Employees Health Benefits Program (FEHB)

HEALTH INSURANCE - Plan Types

Type of Health Plan	Features	Tradeoffs
Fee-For-Service with a PPO (Preferred Provider Organization)	<ul style="list-style-type: none"> • See any doctor without referral • Nationwide and worldwide coverage • When you use an in-network doctor or hospital, you pay less 	<ul style="list-style-type: none"> • You may have to pay more out-of-pocket for services than you would with other plan types • You may have some paperwork if you do not use a preferred provider
HMO	<ul style="list-style-type: none"> • Little paperwork, if any • Simpler costs: your out-of-pocket cost for a service is usually limited to a fixed dollar copayment rather than a percentage of the cost • Some HMOs offer a Point-of-Service product allowing you to use an out-of-network provider, but you usually pay more and need to submit a claim 	<ul style="list-style-type: none"> • Generally must use in-network doctors and hospitals • Usually need a referral to see a different provider
High-Deductible with a Health Savings Account	<ul style="list-style-type: none"> • Covers high-cost medical events • Puts money into an interest-bearing Health Savings Account (HSA) and lets you add money into it • Make tax-free withdraws for qualified medical expenses • Portable if you retire or leave government • Lower premiums 	<ul style="list-style-type: none"> • Higher deductible • Cannot get an HSA if you are covered by any other health plan, including Medicare • Can use a medical fund (see below) if you are ineligible for an HSA
Consumer-Driven with a medical fund	<ul style="list-style-type: none"> • Your health plan puts money into a medical fund for you • If your medical expenses for the year are less than the amount of your medical fund, you pay nothing out-of-pocket • Lower premiums 	<ul style="list-style-type: none"> • Must pay deductible if your health expenses exceed the amount of your medical fund • Medical fund is not portable, not interest-bearing, and you cannot add money to it