

Consumer Reports HMO and PPO Ratings

The Consumer Reports National Research Center this week released results from their 2008 Health Plan Survey, with 37,481 subscriber responses to regarding experiences with managed-care plans between May 2007 and April 2008 . The responses resulted in 35 HMO Ratings (12,200+ responses) and 41 PPO Ratings, (25,200 responses+.). The results included the overall satisfaction score (100 = 100% satisfied) and a number of other factors were separately rated.

Here's what we learned in reviewing the results:

Overall Satisfaction levels: For HMOs: 37%, or 13 out of the 35 HMO plans rated, scored 80% overall satisfaction or higher. Group Health (ID, WA) at 85 4% ranked first. 29%, or 10 out of the 35 HMO plans rated scored 75% or lower. United's Oxford Health Plans (CT, NJ, NY) at 69% was the bottom dweller. For PPOs: 15%, or 6 out of the 41 PPO plans rated, scored 80% overall satisfaction or higher. Anthem Blue Cross and Blue Shield (CT) at 82% ranked first. 34%, or 14 out of the 41 PPO plans scored 75% or lower. HealthNet at 69% was the bottom dweller. Thus 37% of HMOs rated compared to 15% of PPOs scored 80% or higher.

Integrated and non profit HMOs scored higher: 8 of the 13 HMOs that scored 80% or higher were integrated health plans: 1- Group Health (ID, WA); 2- Health Alliance Plan (HAP) of MI; 3 - Kaiser Permanente (Northern California); 7 - Kaiser Permanente, Northwest; 8 - Kaiser Permanente, Southern California; 9 Kaiser Permanente, Mid-Atlantic States; 10 - HealthPartners (MN, WI) and 13 Kaiser Permanente, Colorado. All of the top 13 HMOs were non-profits

Publicly held chain HMOs scored lower: 7 of the 10 HMOs that scored 75% or lower were part of publicly held national plans, including: 26 Aetna Health, Pennsylvania; 27 - Aetna Health, New Jersey; 30 - Aetna Health, Texas; 31 - WellPoint's Blue Cross of California HMO (now Anthem); 33 - WellPoint's Blue Cross and Blue Shield of Georgia; 34 - Aetna Health, Florida; 35 United's Oxford Health Plans.

PPOs had a similar non-profit / publicly held chain experience: 5 of the 6 PPOs rating 80% or higher were non profit; 10 of the 14 PPOs rating 75% or lower were publicly held national plans.

More HMOs have provider issues, and more PPOs have administrative issues: When consumers rated several specific plan components, comparatively more HMOs (vs PPOs) rated worse for provider related factors, and better for administrative factors. We compiled many HMOs and PPOs ranked better or worse than the average for their peers for these components:

	HMOs > Avg	HMOs < Avg	PPOs > Avg	PPOS < Avg
Care from doctors	3	6	5	2
Choice of doctors	5	10	6	7
Access to Doctors	1	11	0	1
Billing	13	4	0	16
Web Site and online service	7	3	1	9
Phone Customer Service	10	2	6	7

Consumer Reports also released the following data from their survey:

- Annual out-of-pocket costs for plan premiums were up 38 percent from two years ago for both those in HMOs and PPOs.

- Respondents reported a median premium cost of \$1,829, an increase of about \$500 since 2006. Respondents in HMOs paid less for premiums than people in PPOs (\$1,466 compared with \$2,003)
- Among PPO members who were seriously ill, 69% paid \$1,000 or more on bills, while only 47% of seriously ill people in HMOs spent that much.
- Of HMO members who were ill, 15% had problems getting care, compared with 14% of PPO members.
- 24 percent of people in PPOs had a billing problem, while just 11 percent of HMO members had similar issues. 33 percent of PPO members who reported having a serious illness had billing problems compared to just 14 percent of seriously ill HMO patients.
- Twenty percent of PPO members also said they had trouble with telephone customer support and were more likely to contact the plan several times to get a problem solved, versus 12 percent of those in HMOs.

For More Information:

Consumer Reports Survey: HMOs Beat PPOs on Cost, Customer Support and Billing Services

Consumer Reports Press Release, August 3, 2009

http://news.yahoo.com/s/usnw/20090804/pl_usnw/consumer_reports_survey_hmos_beat_ppos_on_cost_customer_support_and_billing_services