

BENEFITS 101: A GUIDE TO PPO PLANS

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Want to attract and keep top talent? Your benefits package is crucial! Think beyond just health and retirement.

A PPO is a type of health insurance that balances cost and convenience by giving you the flexibility to choose your medical or dental providers, both in and out-of-network.

When navigating the world of health insurance, you will likely encounter the term PPO (Preferred Provider Organization). A PPO plan - whether medical or dental - is about balancing the cost and convenience of care. With a PPO plan, you get the flexibility to see a wide range of doctors. You'll save money by staying within the plan's network of preferred providers, but you can still choose to go out of network and receive partial coverage. Unlike some other plans, a PPO allows you to see specialists without a referral.

How a PPO Works

A PPO plan functions much like other health insurance plans, but with a key difference in how it handles providers. The plan pays its contracted providers a set, pre-negotiated rate for services. Because of this arrangement, you pay less in cost-sharing—such as copays or coinsurance—when you receive care from an in-network provider.

While PPO plans offer the flexibility to see out-of-network providers, your costs will be significantly higher. You will likely pay more and may need to submit an insurance claim yourself. It's also important to note that most PPO plans have a separate out-of-network deductible that you must meet before your plan benefits will begin to cover those costs.

Key Advantages of a PPO Plan

PPO plans are often chosen for their flexibility and convenience. Key benefits include:

- **No Referrals Needed:** You do not need a referral from a primary care provider to see a specialist. You have the freedom to schedule an appointment with any in-network specialist at any time.
- **Out-of-Network Coverage:** You can choose to see providers outside of the plan's network, which is particularly beneficial for those who travel frequently or live in different states.
- **Large Provider Networks:** Many PPO plans have a broad, nationwide provider network, offering a wide range of choices for care.
- **No PCP Requirement:** Unlike some other plan types, you are not required to choose a primary care provider(PCP).

PPO vs. HMO: The Main Differences

The primary difference between a PPO and an HMO (Health Maintenance Organization) plan lies in their approach to networks and referrals.

An **HMO plan** typically provides coverage only for services received from providers within its network, except in emergency situations. You are also required to choose a primary care provider and obtain a referral to see a specialist. HMO plans often come with lower premiums, but they offer less flexibility.

A **PPO plan**, on the other hand, gives you greater freedom. You can see specialists without a referral and have coverage for out-of-network care (albeit at a higher cost). While premiums are generally higher for a PPO, the added flexibility can be a major advantage for those who prioritize choice in their healthcare.



Ultimately, choosing the right health and dental plan depends on your individual needs and priorities. By understanding the core principles of a Preferred Provider Organization, you can make a more informed decision that aligns with your lifestyle and ensures you get the most value from your benefits.