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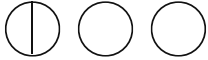
2. Omicron seems milder. Here's why you still don't want to get it.

BUSINESS

Houston employees are signing up for PPOs, high-deductible plans, new study finds



Gwendolyn Wu, Staff writer
Sep. 9, 2020 | Updated: Sep. 9, 2020 7:59 a.m.





— The Texas Medical Center is seen looking south from the Warwick Tower, Friday, Jan. 19, 2018, in Houston. Mark Mulligan, Houston Chronicle / Houston Chronicle

Employees prefer health insurance plans that give them greater choice of doctors and specialists even if employees must pay more, according to a study released Tuesday by the Houston Business Coalition on Health.

The coalition, an association of employers purchasing health plans, found that employees, particularly older workers, are more likely to pick preferred provider organization, or PPO plans, where they can see out-of-network providers at a higher cost and aren't required to keep a primary care physician. They usually cost more than both exclusive provider organizations, or EPOs, which limit patients to certain networks of providers and health maintenance organizations, or HMOs, which require patients to stay within a network and to have a primary care doctor refer them for any special treatments.

But more choices don't necessarily mean better care, said Chris Skisak, the executive director of the Houston Business Coalition on Health. Ultimately, the quality of care

depends on the quality of individual doctors, not number to choose from, said Skisak.

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"They think (a PPO) is better," Skisak said, "but it is definitely not a better buy."

The study is based on a survey of 73 [local employers](#) conducted by the coalition and Higginbotham Associates, a Houston-based insurance and risk adjustment firm.

Companies may offer several health insurance options as part of their benefits package. Roughly 40 percent of employees offered a PPO chose it compared to 34 percent of employees offered EPOs. About 30 percent of employees at businesses that offer HMOs opted for that plan, according to the survey.

Another finding of the survey was that employers are gradually shifting employees onto high-deductible plans, which have lower premiums but push more of the cost of care onto patients, said Steve Hoffman, vice president at Higginbotham Associates.

WHO PAYS: [Insurers are bearing the brunt of COVID-19 test costs. That might mean higher premiums.](#)

A high-deductible health plan can be a PPO, HMO or EPO — but the crucial part is that patients must pay a larger portion of their care out-of-pocket before insurance kicks in to cover costs fully.

The idea is that if employees save money on premiums, they can put the money into pre-tax health savings accounts provided through their employers, who may also contribute to the accounts as an incentive to participate.

But employees usually don't put enough money into health savings accounts to offset the additional costs on a high-deductible plan. Researchers say those patients are more likely to neglect routine care, setting themselves up for chronic conditions and major medical emergencies.

"Ultimately, that can lead to higher costs down the road" for employer, Hoffman said at a virtual conference that unveiled the Houston Business Coalition on Health study.

Health care costs are at the front of employers and insurers' minds lately. U.S. health care spending is projected to nearly double to \$6.2 billion by 2028 from \$3.6 trillion in 2018, according to the Centers for Medicare and Medicaid Services.

Employers' pressure on insurers to hold the line on costs has led to battles with hospital systems over the prices insurers are willing to pay. Last winter, [UnitedHealthcare and Houston Methodist](#) engaged in a public relations battle as their contract expired, with the insurer accusing the hospital system of jacking up prices of care.

They finally reached an agreement [in May](#) to renew the contract.

Houston's hospitals charge more than double what Medicare would pay for a service or procedure, according to a [May 2019 study](#) by the RAND Corporation, a California think tank.

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Reach Gwendolyn on

Gwendolyn Wu is the writer of The Chronicle's flagship newsletter, Bay Briefing, and an engagement reporter. As a Hearst Fellow, Gwendolyn previously worked as a business reporter at the Houston Chronicle, focusing on the health care and biotech sectors, and a metro reporter for The San Francisco Chronicle, where she was part of the award-winning breaking news team that covered the deadly Camp Fire.

Originally from the San Fernando Valley in Los Angeles, Gwendolyn graduated from the

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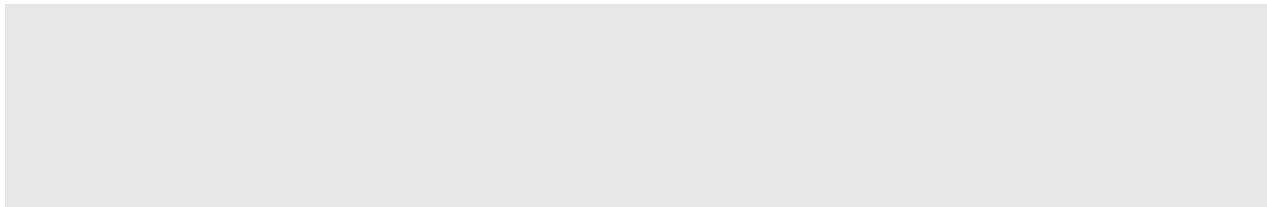
REAL ESTATE

Houston rents have soared to record highs, forcing renters to downsize

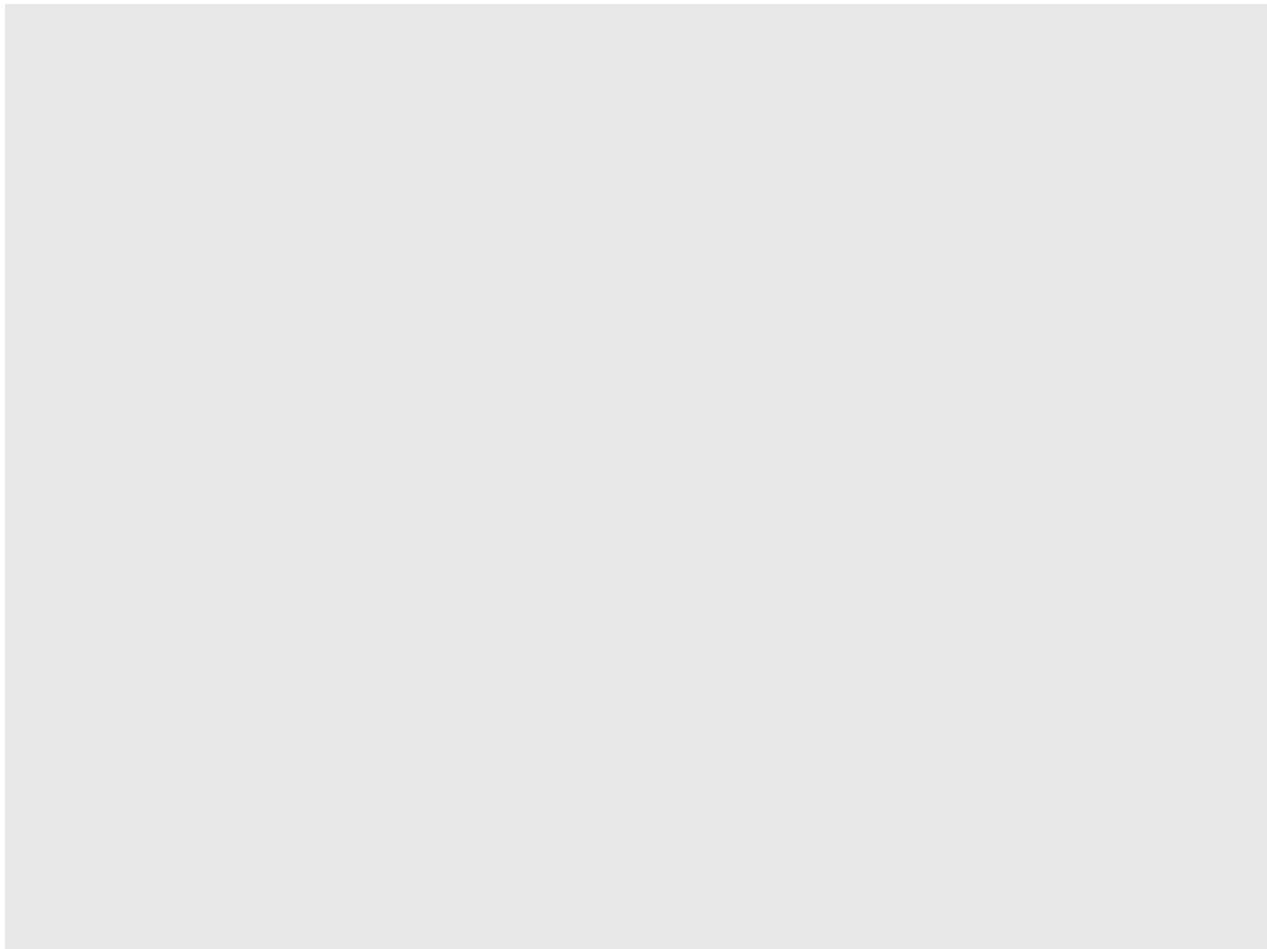
As a result, rents have spiked and investors have begun snapping up apartment complexes at historically high rates — a dynamic that economic forecasters believe will persist into next year.

BY R.A. SCHUETZ

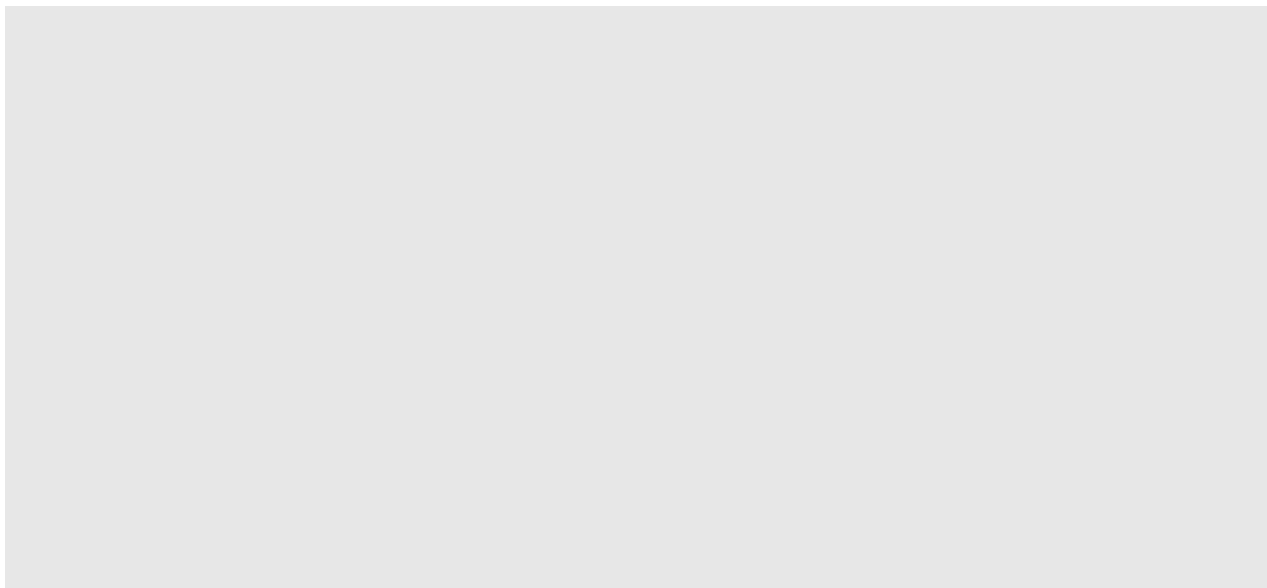
UNFAIR BURDEN: TAX SANCTUARIES

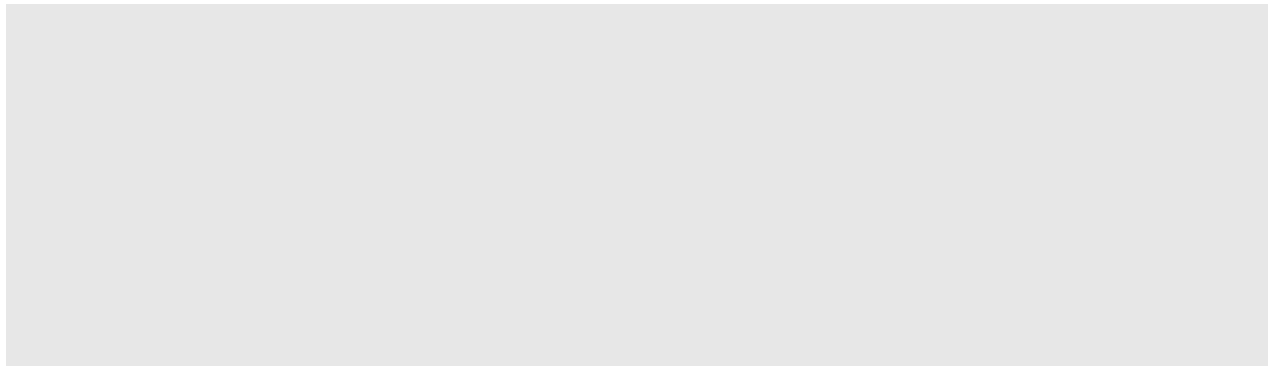


Obscure law lets religious leaders live in lavish, tax-free homes

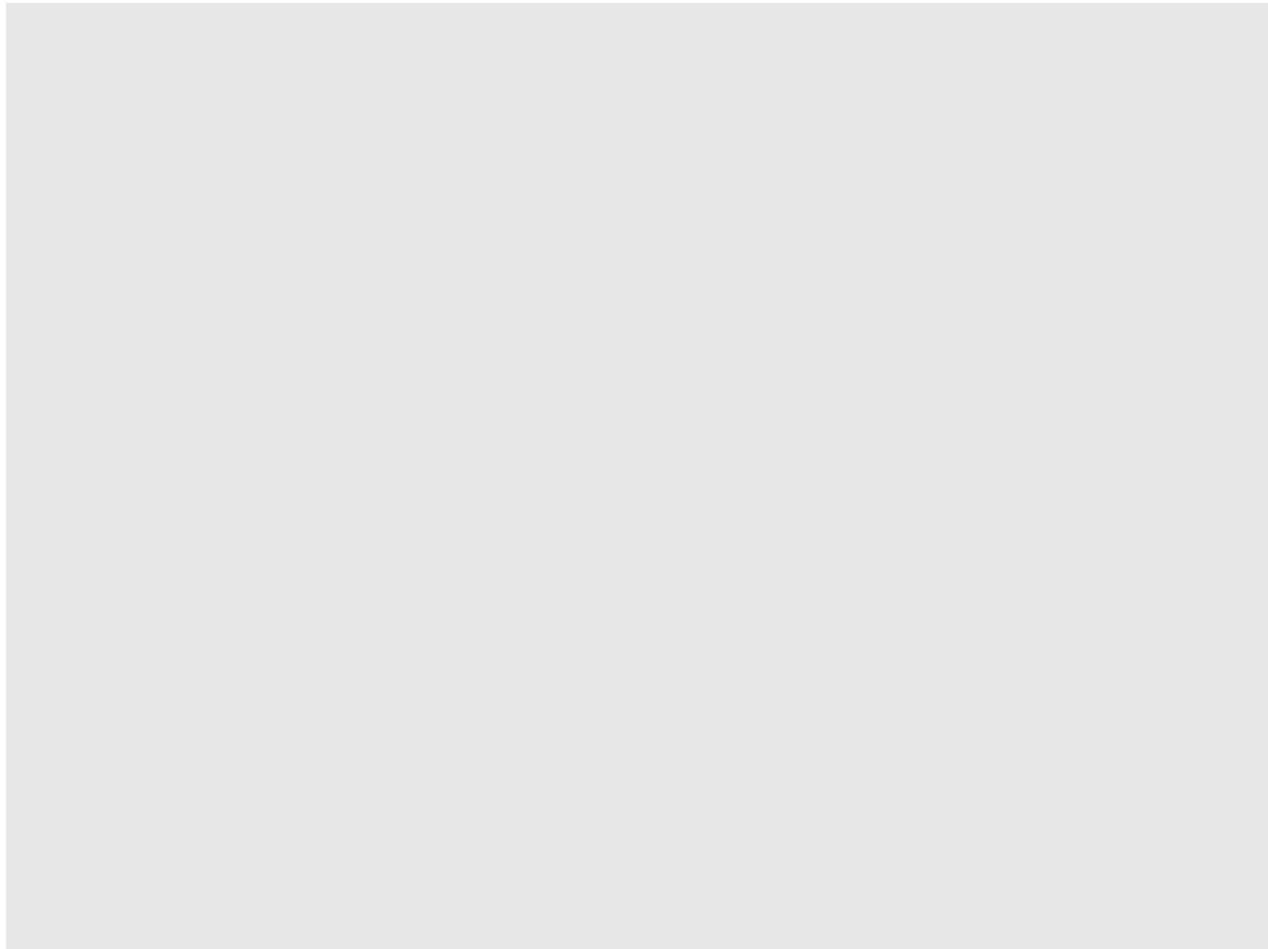


These Texas church homes don't qualify for tax break, but you pay

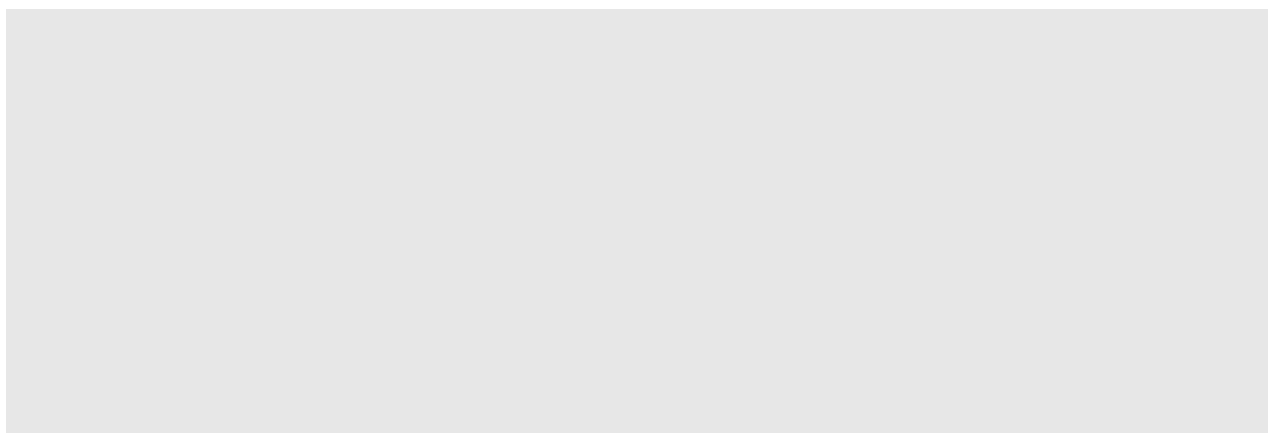


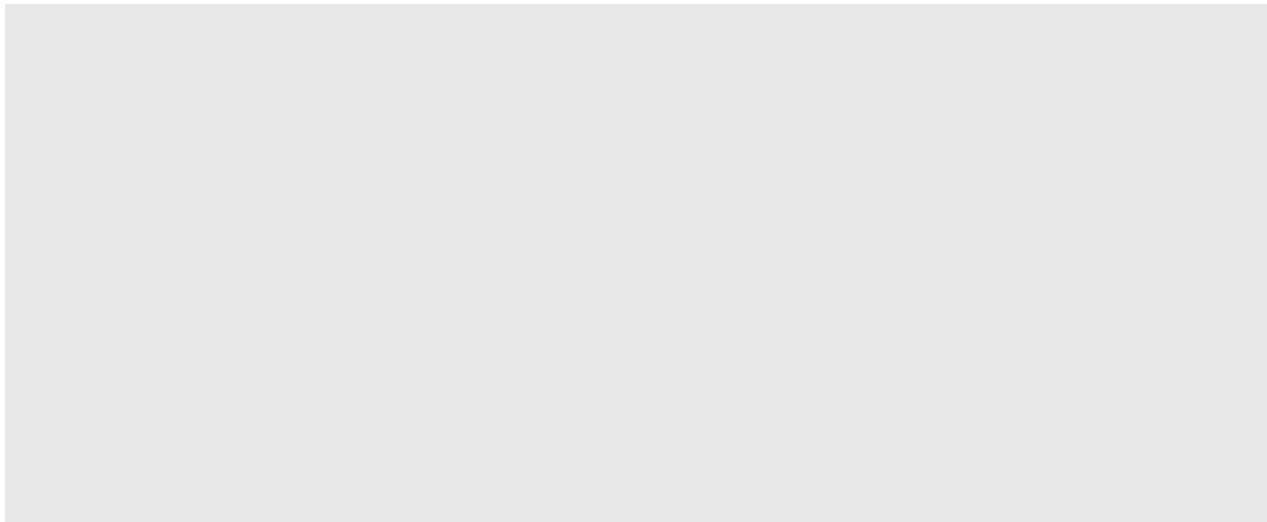


This wealthy Dallas church owns the most clergy homes in Texas

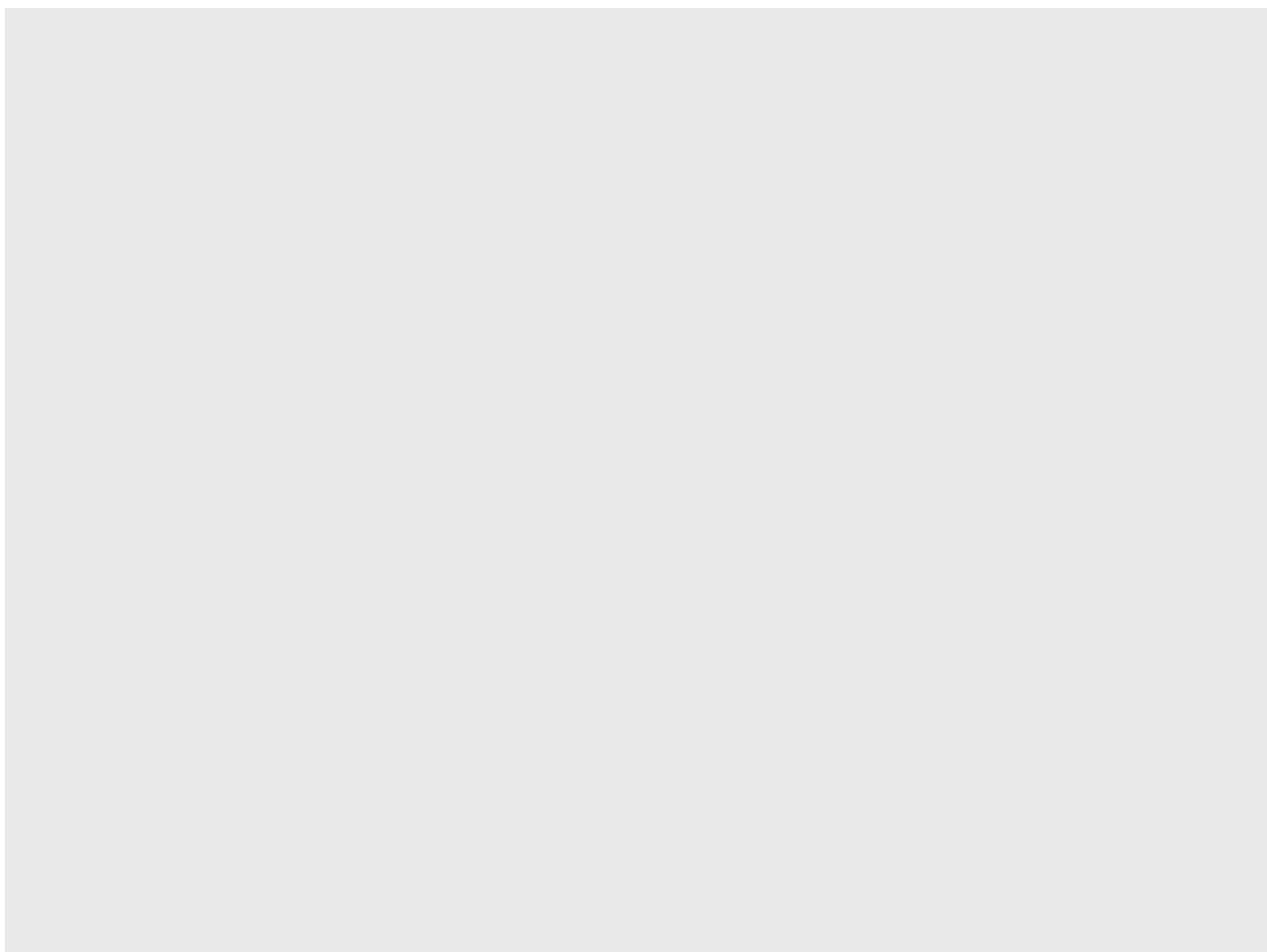


Why does America's wealthiest pastor live in a tax-free mansion?

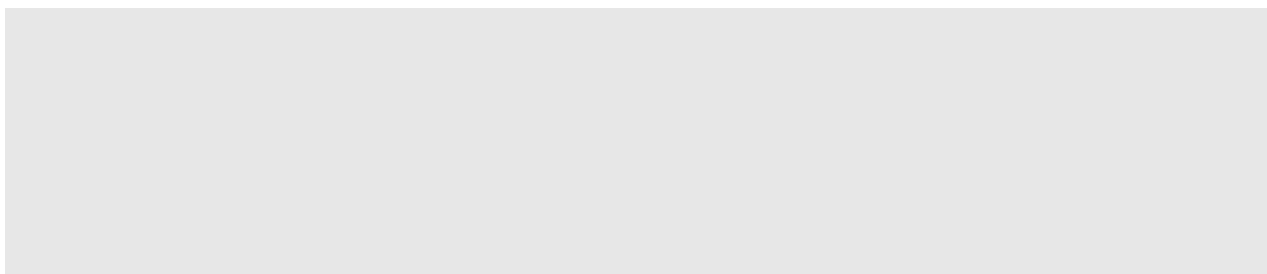


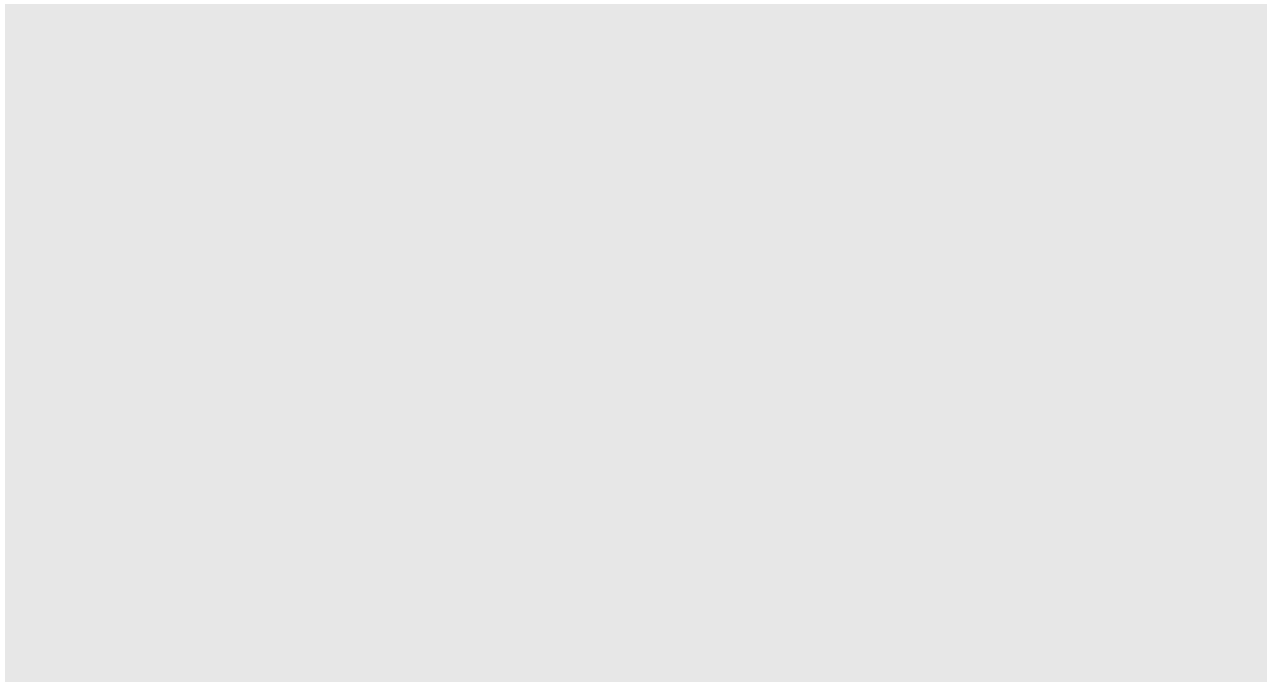


How Texas could close loopholes, save taxpayers thousands

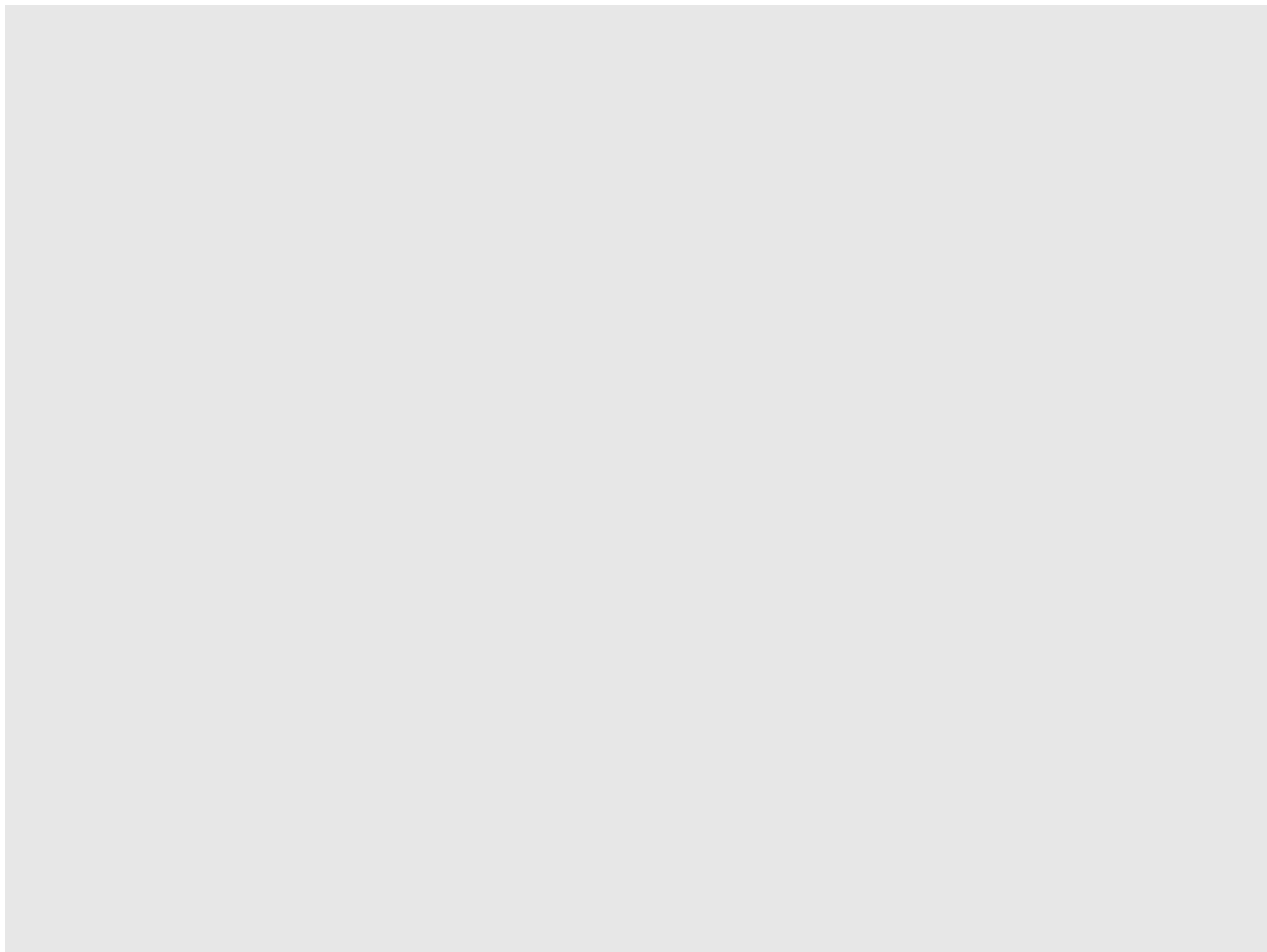


Map: Tax-free clergy homes across Texas and how much they cost

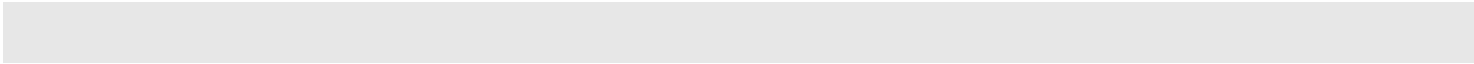




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