

**Position Statement on
Point of Service Health Plans
(Approved by the Board of Directors: March 21, 1997;
Reviewed by the Board of Directors: August 5, 2007; March 11, 2024)**

The American Academy of Dermatology's *Statement on Health System Reform* (March 2023) emphasized that all Americans should be free to choose their own physicians, including specialists and subspecialists, and health insurance that best meets their needs." The Academy advocates that every health insurance plan should cover a patient's care by the physician of his or her choice whether in-network or out-of-network. (AAD Position Statement on [Access to Specialty Care and Direct Access to Dermatologic Care](#)). In keeping with these goals, the Academy endorses point-of-service (POS) options as good policy for all public and private health plans, allowing patients to access both in and out of network physicians. A POS plan is a managed care plan which has coverage benefits for in-network and out-of-network physicians and services. While elements of point of service provisions may be included in other managed care plans, a POS plan may be thought of as hybrid of an HMO and PPO. Like an HMO, certain services may require referral and care coordination by a primary care physician, and like a PPO, benefits and coverage may be less for out-of-network services. POS plans allow patients improved access to the physicians of their choice by permitting them to seek out-of-network treatment and still be covered by the plan.

The freedom to seek care out-of-network is important to patients with skin diseases as not all providers have the appropriate expertise, particularly for less common diagnoses. Studies have consistently shown that dermatologists provide cost-effective, better quality care for skin diseases than do other health professionals." AAD Position Statement on Cost-Effective Dermatologic Care) To maintain patient choice of their physician, all managed care plans (i.e., HMO, PPO, etc.) should include allowance for out-of-network care similar to the POS concept.

Therefore, the American Academy of Dermatology recommends:

1. That a point-of-service provision, or an appropriate equivalent, be made available to all individuals at the time of their initial enrollment, and at every opportunity for re-enrollment;
2. That any additional premium for POS coverage be reasonable and reflect the actuarial value of such coverage; and
3. That any patient cost differential for out-of-pocket costs be reasonable and not overly burdensome to the patient

In summary, point of service options should be mandatory for all plans and include limitations on out-of-pocket expenses to patients. A point of service option that is financially prohibitive creates unacceptable burdens to patients as they try to seek access to care and limit the costs of the care they choose."

This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements.