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# Managed Care

National Cancer Institute

## Source

National Cancer Institute. *Managed Care*. NCI Thesaurus. Code C15364.

An arrangement whereby a third-party payer (e.g., insurance company, federal government, or corporation) mediates between physicians and patients, negotiating fees for service and overseeing the types of treatment given. Managed care has virtually replaced unmanaged indemnity plans, where payment is automatic and oversight procedures are minimal. Whereas 96% of American workers had unmanaged indemnity in 1984, only 28% did in 1988. Typically, in managed care, the third-party payer requires second opinions and pre-certification review for patients requiring hospital admission. They obtain wholesale prices from doctors, and carry out cost-containment measures, including auditing hospitals and reviewing claims. Managed care has figured heavily in the national debate over health care.