

Benefit Design and ACOs – Employer and Health Plan Issues

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Key ACO Needs

- Agreement to gain-share from payers/insurers or large employers
- Benefit designs to promote ACO use
 - Very limited for FFS Medicare beneficiaries
 - Perhaps use of “soft enrollment”
 - Improved availability of PCP Office Visits
 - For private payers
 - Tiered networks with ACOs being the “prime tier”
 - Lower copays for use of ACO providers, but no gatekeepers
 - Use of Value-Based Insurance Design principles

ACOs Are Not HMOs

- Contingent on meeting quality metrics, ACO gain-sharing can be:
 - “Bonus Only” with only upside payments if earned,
 - “Symmetric Risk” with bonuses/withholds, or
 - “Partial capitation” for some ACO services
- What ACOs are not:
 - Not a closed network – enrollees can choose to use any provider
 - Not fully capitated
 - Not a gatekeeper model – no permission needed to seek care