



Benefits and Risk Consulting

Improving workplace health through an Accountable Care Organization

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According to the U.S. Census Bureau's "Health Insurance in the USA" survey, the employer continues to be the primary provider of health insurance in our country. As the dominant health insurance provider, you are continuing to experience rising healthcare costs and might wonder how to influence this trend.

There are a variety of reasons for escalating costs, including:

- A fragmented healthcare system and lack of coordinated care models
- Rising prescription drug costs
- Decreased access to primary care providers
- An aging workforce
- An increase in illness of our population.



Maintain good health while managing chronic conditions

According to the Center for Disease Control and Prevention, since 2012 about half of all adults have had one or more chronic health conditions, such as heart disease, stroke, cancer, type 2 diabetes, obesity and arthritis. This is about 117 million people that have costly and potentially preventable conditions. The key word is preventable! Although there is no silver bullet, one of the keys to impacting cost is to focus on improving the health and well-being of your employee population. Our goal should be to help employees stay healthy or live well with a chronic condition. To accomplish this, a growing number of employers are considering an Accountable Care Organization (ACO) as one of the strategies for improving the health of their employees and decreasing their healthcare costs.

What is an ACO?

An Accountable Care Organization is a group of healthcare providers that come together to provide high-quality coordinated care to a population of consumers and agree to receive payment based on providing value, instead of the traditional transaction-based payment models.

What is value? Value = Engaging consumers in their health + Improving health outcomes + Safe and efficient care.

As an employer, how do you access an ACO?

There are a variety of ways an employer can participate in an ACO, including:

1. **An ACO designed and developed by the health plan provider.** Employers can gain access to an ACO through their health plan. This is the most common method used by employers today.
2. **Jointly developed ACO between the health plan provider and employer.** A self-funded employer can work with its health plan provider to design and develop the ACO. This allows the employer to have influence in the network, development of the key performance measures for healthcare outcomes and shared savings.
3. **Direct contracting with an ACO.** Employers can contract directly with an ACO, often bypassing the health plan

provider.

How do you decide which model is best for your company?

As you can see, there are different models and ways to participate. As you begin thinking about adding an ACO option, there are a number of issues to consider. These are just a few:

- Do you understand your employee population's health profile?
- Do you understand how each insurance carrier is defining and deploying an ACO?
- As an employer, how would you be involved in the ACO?
- What is the network?
- How are the different healthcare groups performing?
- What are the measures of success?
- Transparency of outcomes is key – what is the ACO's transparency level?

Accountable care models are designed to provide an integrated team approach to assure health and well-being across the continuum. It is an opportunity to focus on creating a culture of health for your employees by linking your wellness programs, primary care, specialty services and community service to potentially decrease your healthcare cost.

If you are interested in exploring an Accountable Care Organization or have questions, please [contact us](#).