August 17, 2018

Employers Offer Coverage, Not Insurance

What if your employer stops offering insurance? Some employers are bypassing health plans and going directly to large health care systems and negotiating a price for everything from office visits to surgery. This is called direct contracting. It’s similar to decades ago when employers hired doctors to care for all their workers. In direct contracting, the employer pays the hospitals and doctors and can determine priorities for care.

For example, General Motors has contracted with Henry Ford Health System in Detroit to offer salaried employees this option, and blood pressure management is their priority. There’s no insurance policy. Because the hospital and the doctors take on the financial risk of care, a conflict of interest with patients is possible.
