

ASO Agreements and the Hidden Architecture of Medical Claim Pricing: A Transparency Failure

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Executive Summary

Administrative Services Only (ASO) agreements govern how employer-sponsored health plans process and price medical claims. These agreements—often hundreds of pages long—define repricing logic, allowed amounts, payment responsibility, appeals routing, and fiduciary obligations. Yet despite their centrality to the healthcare payment system, ASO agreements remain largely opaque to the public and even to many employer plan sponsors. This brief identifies structural transparency failures built into ASO agreements, explains how they contribute to mispricing and inconsistent adjudication outcomes, and proposes a framework for independent oversight and public-interest research.

Background

Self-funded employer health plans cover more than 150 million Americans. Yet most employers never see the full SPD/ASA reconciliation, repricing algorithms determining allowed amounts, internal denial management logic, proprietary network pricing models, or downstream financial effects. This opacity allows pricing inconsistency, fiduciary ambiguity, unchecked algorithmic denials, and systemic cost escalation to persist unchallenged.

Key Findings

1. ASO agreements often bury pricing logic in undefined “repricing methodologies.”
2. SPDs routinely reference processes or obligations that do not appear—or conflict—with the ASA.
3. Contractual language allows administrators wide discretion in adjudication without accessible audit trails.
4. Employer plans often lack visibility into how cost containment programs shift liabilities.
5. Neither employers nor participants can independently verify the accuracy of pricing or adjudication.

Public-Interest Implications

Opaque pricing structures harm families, unions, employers, and public systems. Without transparency, fiduciary oversight becomes symbolic instead of substantive.

Proposed Year 1 Research Areas

- ASO Transparency Mapping
- Claims Integrity Pattern Analysis
- SPD–ASA Reconciliation Study
- AI and Algorithmic Adjudication Review

About the Researcher

Hannah Moore, President of the Cost of Care Project, is a healthcare compliance and pricing specialist with extensive experience reviewing plan documents, SPDs, and ASO agreements across multiple jurisdictions and plan types.

Call for Collaboration

We welcome partnerships with employer coalitions, unions, transparency organizations, academic research centers, and policy intermediaries.