



Opportunities to Advance: **Key Priorities** **for 2025**



Introduction



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Driven by ongoing inflation, catastrophic medical claims, and increased demand for specialty and GLP-1 prescription medications, overall healthcare spending growth is projected to increase by 8% year over year¹ for the group health market in 2025 — the highest percentage in 13 years.

As we consider the factors driving the rise in healthcare costs and adjust to a new federal administration with an uncertain healthcare policy landscape, it's become crystal clear that we must get “comfortable being uncomfortable” when preparing for the inevitable change and transformation coming to our industry.

Many are familiar with the Vālenz Health® “look, listen, enable” model of seeing the opportunities for change in moments of challenge. This year, the iThrive Customer Council sees an opportunity for healthcare leaders to rethink outdated models, develop innovative solutions, and embrace the idea of smarter, better, faster healthcare across the full healthcare continuum.

Working collaboratively across the industry, Valenz and our dedicated iThrive Council are partnering to solve for the ever-changing needs of the self-insurance industry. With quarterly conversations on the latest market trends, emerging challenges, and untapped opportunities, we discuss how to take definitive action to advance healthcare.

In this white paper, we identify three key priorities for the healthcare value chain to consider in 2025 and invite you to discuss, engage, and strategize with these topics in mind as we work to optimize the utilization of high-value healthcare:

1. Optimizing Plan Design
2. Balancing Employer Cost with Employee Spend
3. Integrating New Payment Integrity Initiatives

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Optimizing Plan Design

As ongoing innovation manifests and influences the healthcare industry, system inefficiencies have continued to impede optimization of care outcomes for all in the value chain of healthcare. The system remains inefficient, with wasteful spending accounting for billions of dollars² in the U.S., and public satisfaction with healthcare quality has consistently trended downward³ over the past decade.

As we consider ways to mitigate rising costs and improve member experience in healthcare, **optimizing plan design** is an important first step.

With current plan designs, employees frequently misunderstand and under-utilize their benefits. In fact, 75% of workers⁴ want support in choosing the right benefits package for their needs, highlighting a literacy disconnect between those who design healthcare plans and those who use them.

Therefore, optimizing plan design is a crucial priority for iThrive Council members in 2025. By intelligently and specifically building health plans for an employer and its membership base, we can proactively address member needs, fill gaps in care, and align all constituents across the healthcare continuum.

One strategy we're exploring this year to make that happen is fully integrated healthcare plans. By consolidating services and offerings across the Claim Cost Arc,SM we can help maximize solution efficiency, while simultaneously minimizing administrative burden for all stakeholders in the healthcare value chain, including the payer, provider, plan, and patient.

In addition, with the data provided by these benefits, health plans can be better optimized for their members — reducing the waste caused by redundant or irrelevant offerings and offering benefits that employees are more likely to utilize.

Plans can be optimized for better performance with:

- **Cost and quality transparency:** Detailed provider data libraries enable members to make more informed healthcare choices to utilize lower-cost, higher-quality providers.
- **Care navigation services:** Care navigation features can steer employees toward high-quality, affordable (even no-cost) providers, reducing out-of-pocket costs.
- **Stop-loss cost insight tools:** By integrating the data gleaned from cost-saving tools like those offered by Valenz, stop-loss underwriters can minimize risk and, in turn, offer lower stop-loss premiums to employers.

In short, by prioritizing optimized plan design in 2025, the stakeholders in healthcare can significantly eliminate inefficiencies, reduce waste, and improve outcomes — a key step in achieving smarter, better, faster healthcare for all.

2 Balancing Employer Cost with Employee Spend

In 2025, employers are expected to pay more than \$16,000 per employee in healthcare costs, an employer-specific increase of 9% from 2024⁵. This is significantly higher than the 6.4% increase experienced by employers from 2023 to 2024 — and a reflection of an ongoing trend that estimates a 5.3% average spend increase per year through 2030.⁶

At the same time, average out-of-pocket cost increases for consumers have consistently matched that growth figure, partly due to the increased usage of high-deductible health plans (HDHPs)⁷, which lower overall premiums by shifting healthcare costs to the employee⁸, creating the potential for unexpected and unsustainable financial burdens.

It's no wonder that 36% of employers cite "cost-containment"⁹ as a primary driver for considering health plan alternatives. However, with benefits packages of key importance in hiring and retention, there is a delicate balance to be maintained between reducing employer costs and maintaining employee satisfaction with their healthcare coverage.

A disconnect already exists: While 83% of employers think their employees are satisfied with their benefits, just 61% of surveyed employees¹⁰ said their employer offers a range of benefits that meets their personal and household needs, cost included.

To that end, the iThrive Council is committed to exploring strategies that **enhance affordability for all parties involved** and improve employee health plan experience in 2025.

These strategies include:

- **Incorporating differentiated payment integrity solutions:** Detailed reviews across the Claim Cost Arc can minimize unexpected costs and overpayments (more on this below).
- **Employing proactive price and quality transparency:** Pricing transparency tools such as Valenz Bluebook's Provider Directory can help employees make informed, affordable healthcare decisions.
- **Utilizing innovative cost-sharing models:** Plan designs that utilize variable co-pay incentives can guide members toward high-quality, low-cost providers.
- **Guiding members through their healthcare journey:** Features such as care and disease management provide members with personalized guidance direct from medical professionals, enabling them to better understand and handle their conditions, medically and financially.

The most effective solutions for each organization will be highly dependent on the specific needs of the employer and their employees. As 2025 progresses, the iThrive Council plans to evaluate the effectiveness of these strategies across our client portfolio and identify those with the most promise of mitigating costs for all parties involved.

3 Integrating New Payment Integrity Initiatives

The National Health Care Anti-Fraud Association (NHCAA) estimates that financial losses due to healthcare fraud are in the tens of billions of dollars each year¹¹. Conservative estimates put that at 3% of total healthcare costs, while other reports place that loss as high as 10%.

At the same time, fraud, waste, and abuse (FWA) stemming from over-billing, errors in claims, and unnecessary healthcare services remain significant expenses for the healthcare industry. Minimizing these unnecessary costs via advanced payment integrity solutions is a key priority for the iThrive Council in 2025.

Optimized payment integrity solutions offer multiple layers of validation and protection for both employers and employees. By engaging in all three phases of the Claim Cost Arc (proactively, concurrently, and retrospectively), these solutions can prevent FWA for self-insured employers, successfully impacting resources spent in both time and money.

In the face of renewed federal focus on healthcare pricing transparency (per the February 2025 executive order), proper fiduciary responsibility over plan assets must remain a high priority for plan providers. Payment integrity initiatives will support this responsibility – ensuring that only reasonable and necessary costs are borne by the plan.

We also expect artificial intelligence (AI) to play an increased role in streamlining payment integrity efficiency and effectiveness in 2025 and beyond. By deploying AI tools for high-volume data analysis, human auditors can reduce their administrative burden, reserving manual, expert review for complex, high-dollar claims cases identified and prioritized by automation – thereby improving both the efficiency and accuracy of the entire review process. Additionally, other digital tools such as electronic medical record submissions can improve interoperability between plans and providers, leading to more efficient and accurate data exchange and, ultimately, a more streamlined payment process.

Together, AI review and expert human intelligence should form a complementary partnership in 2025, one that supports more precise, efficient outcomes across the entire healthcare continuum, but especially regarding to payment initiatives.

When implemented properly, payment integrity initiatives hold great promise for simplifying existing complexities and facilitating smarter, better, faster healthcare for all – which is why it rounds out our list of top priorities for the year to come.

Conclusion

As the healthcare landscape continues to evolve amid rising expenses, policy uncertainty, and rapid technological advancement, the need for deliberate, forward-looking strategies to reduce costs, improve quality, and elevate the entire healthcare experience has never been greater.

The three priorities collaboratively identified by Valenz and the iThrive Council this year each reflect that shared commitment: to reduce inefficiencies, improve care outcomes, and optimize the member experience across the entire healthcare continuum in 2025 and beyond.

We invite you to engage early and often with these priorities — through dialogue, innovation, and action — as we collectively shape a future defined by smarter, better, faster healthcare for all.

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