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# Navigating Rising Health Benefit Costs—A Road Map for Self-Insured Employers

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As healthcare costs continue to climb, self-insured employers face complex challenges in 2025. According to [Mercer's annual National Survey of Employer-Sponsored Health Plans](#), "employers expect health benefit cost per employee to rise 5.8% in 2025," even after cost-containment measures. This marks the third consecutive year with increases of more than 5%. Without cost-containment strategies, the increase could reach an average of 7%, according to Mercer, while an [Aon report](#) predicted employer-sponsored plan costs will grow by 9% in 2025, with plan costs above \$16,000 per employee. These reports underscore the importance of engaging early and often across the Claim Cost Arc<sup>SM</sup>—through the prospective, concurrent, and retrospective phases of patient care.

Driven by the vision of simplifying healthcare, Valenz<sup>®</sup> Health introduced the Claim Cost Arc to illustrate the value of integrating health literacy and data-driven decision-making across all phases of a patient's healthcare journey—from pre-service to treatment through post-service. By engaging early and often, self-insured employers can reduce costs, improve quality, and elevate the overall healthcare experience.

While the factors contributing to rising plan costs are nuanced, key drivers are inflation, increased popularity of glucagon-like peptide-1 (GLP-1) diabetes and weight-loss drugs, and enhanced benefits to cover developing member needs, including Applied Behavioral Analysis (ABA) therapy, fertility treatments, GLP-1s, and more. These year-over-year increases require self-insured employers to align with strategic partners like Valenz to implement solutions that help mitigate financial burdens while ensuring members have the resources they need to receive high-value healthcare.

## Implications for Self-Insured Employers

Self-insured employers, who assume the direct risk of high-dollar member claims, must navigate this challenging landscape with a dual focus: controlling costs and maintaining comprehensive benefit offerings to attract and retain talent. The Mercer findings emphasize the need for tailored strategies that address both rising healthcare costs and workforce expectations.

## How Self-Funded Employers Can Address These Challenges

### Leverage Transparent Quality and Cost Data

- Employers can benefit from equipping employees with decision-support tools to illuminate transparent quality and cost data before they need care and offering financial incentives for securing high-value healthcare.
- [Healthcare Bluebook](#)<sup>™</sup>, acquired by Valenz Health in July 2024, is a quality and cost-navigation tool that supports patients in easily identifying "Fair Price"<sup>™</sup> providers and comparing quality rankings by leveraging a simple green-yellow-red color-coded categorization system; for even deeper savings, employers can elect the Go Green to Get Green incentives program to reward members for quality-driven, cost-effective healthcare choices.

### Explore Network Options

- Expanded provider network options, such as contracted, high-performance narrow networks or non-contracted, reimbursement-based networks, can drive members to high-value care with optimal outcomes.
- Through [High-Performance Contracted Networks](#) and [Open Access Networks](#), the Valenz platform enables employers to ensure their members have access to frictionless, high-quality care at market-sensitive rates.

### Review Claims and Negotiate Reimbursements

- With [54% of providers](#) reporting that claims errors are increasing, employers need solutions that ensure appropriate, accurate charges and defensible payments to maximize possible savings on every single claim.
- Through a robust suite of Payment Integrity solutions, Valenz offers deep experience with [claim negotiations and management of the complexities of in- and out-of-network provider billing](#) to help self-insured employers contain costs.

### Optimize Pharmacy Benefits

- With pharmacy spend accounting for 20% of total employer medical spend, 10%-30% of which is typically avoidable waste, it's critical for plans to analyze utilization patterns and members to understand alternative medication options.
- [Bluebook Rx](#), which includes an innovative program expansion focused on reducing the rising costs of GLP-1s, proactively engages members with personalized pharmacy savings opportunities, ensuring access to the most cost-effective options.

### Innovate Plan Design for Alternative Cost-Sharing

- Aon reports that 33% of organizations steer participants to high-value healthcare, with many more interested in adding plan-design steerage through innovative models, including variable cost-sharing.

## An Innovative Path Forward

As noted above, the challenges associated with increasing healthcare costs also present an opportunity for self-insured employers to innovate. [A recent McKinsey & Company article](#) notes health plans should explore alternative member cost-sharing approaches anchored in plan design.

Valenz is partnering with third-party administrators (TPAs) and employers to develop plan designs that exclude traditional member cost-sharing methods, like coinsurance and deductibles, with a shift toward co-pay incentives that reward members for selecting high-quality, low-cost providers —informed by data made available to them in the prospective phase of the Claim Cost Arc.

This approach incentivizes patients to seek care from high-quality providers, minimizing out-of-pocket costs while limiting the likelihood of ongoing medical issues and future readmission. A win-win for employers, the model redirects accountability to the member.

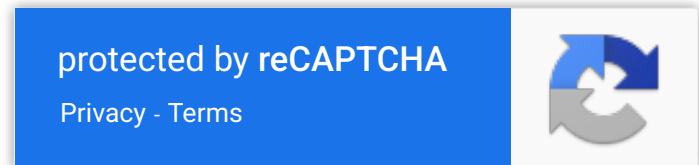
McKinsey & Company continues to state that when shifting "all engaged consumers to median-cost providers on shoppable procedures, plan sponsors potentially have the opportunity to save 6% to 8% of their total spend." These savings on medical spend alone would negate the predicted annual cost increase for plans. Furthermore, expenses could continue to decrease in the future as members acclimate to financial accountability for their healthcare decisions.

With the integration of Healthcare Bluebook into the Valenz platform, the Valenz team continues to innovate and develop an alternative cost-sharing approach as we work toward our mission to optimize the utilization of high-value healthcare to protect the patient and the employer.

Connect with us to learn more about how Valenz Health can help you engage early and often for smarter, better, faster healthcare.

### Connect With Us to Learn More

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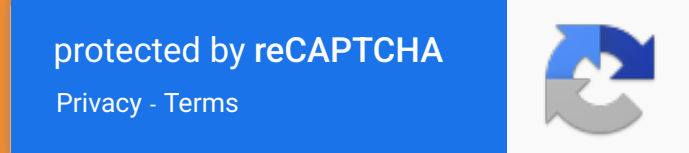


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