

More Savings, More Places: How Employers Keep Health Up and Costs Down

Three studies show how an integrated, personalized health platform can deliver savings for employers across multiple dimensions of healthcare spending





Executive Summary

As the U.S. economy perks up to reassuringly lower inflation and interest rates, employers can't celebrate just yet—they're too focused on the projected 8% increase in healthcare costs for 2025. That's the highest rate in over 10 years, according to the Business Group on Health in its 2025 Employer Health Care Strategy Survey.

With healthcare inflation unfazed by the decline in cross-sector pricing trends, many business leaders are looking for options. They need to control expenses while improving healthcare outcomes and satisfaction among their workforce. By engaging the diverse and personalized solutions of an integrated health platform that combines third-party administrator (TPA) services with care management, proactive outreach, and more, they can find savings in more places, and quickly.

According to three research studies commissioned by Personify Health, employers have multiple opportunities to reduce healthcare costs, from engaging with case management, care navigation and advocacy, and payment integrity solutions to deploying digital wellbeing programs that educate and empower employees with personalized preventative health support.

Across all three studies involving a range of solutions, businesses saw measurable drops in their healthcare expenditures, including 23% lower healthcare costs in one study, 14% lower healthcare costs in another, and a striking \$11.8 million in savings in the third. The findings validate the power and purpose of integrated solutions—and in applying human expertise and scalable technology to promote member health and cost control

In this report, learn what the studies found and their top takeaways for employers as businesses enter the highest healthcare cost era in a decade.

Smart Solutions, Smart Savings—The Wakely Study

An integrated solution mix sets employers up for optimal savings while improving member health and experience

Employers often look for a fix-all for their healthcare cost challenges, but healthcare inflation is more insidious than that. It cuts across multiple factors, and businesses need a more nuanced approach to plug the holes.

That's what we saw from the [independent actuarial study](#) from Wakely Consulting Group.

As a three-year continuation of an earlier study that used 2019 data, the Wakely study analyzed more recent 2022 data to explore **whether—and how—cost containment along with care and condition management could reduce costs**. And they did, although not necessarily in the “big-ticket” ways employers might expect.

What Wakely Studied

- **Cost containment**, including payment integrity; fraud, waste, and abuse (FWA); and out-of-network negotiations
- **Care and condition management**, including clinician- and specialist-guided support complementing digital wellbeing

Comparing Personify Health's data with industry benchmarks, the continuation study identified 23% savings, equating to \$762.96 per employee per year. But those savings came from all corners, including case management (4%), population health (6%), negotiations and third-party liability (5%), FWA reduction (4%), and claims excellence and duplicates (4%).

“What I find most validating about this study was how it emphasized the importance of capturing savings from diverse solution areas,” said Laura Walmsley, chief commercial officer of Personify Health.

“It's not just about extreme savings from a single change. The bigger value comes from gradual, sustainable savings across multiple buckets.”

Walmsley attributed those varied gains to diverse investments Personify Health made in case management, clinical advocacy, and payment integrity in the years between the original Wakely study and this continuation.

For example, the original study identified a 19% savings rate, including a shift from inpatient to outpatient care. Between then and 2022, Personify doubled its clinical staffing ratios, added advocacy and navigation capabilities such as early intervention, enabled artificial intelligence (AI) predictive triggers, acquired a payment integrity firm, and applied AI toward fraud, waste, and abuse detection.

Across those investments, the teams leaned into emerging technology with clinical oversight, noted Dr. Jeff Jacques, chief medical officer of Personify Health.

“Navigation works by combining the right ratio of human expertise with scalable technology to deliver a cohesive and engaging experience,” he said.

With those investments, analysts saw further improvement upon the 2019 findings—not just the higher savings rate, but also a continuing shift in how and where care takes place. Where the original study showed a transition from inpatient to outpatient, the continuation study highlighted a move from outpatient to lower-cost sites as patients better understand their care pathways.

“We saw what we could do in that first study, and we wanted to double down on our impact,” Walmsley said. “We knew that with even more investments in these capabilities, we could achieve much more.”

From 2019 to 2022: Investments We Made

- **Doubled clinical staffing ratios** from 6000:1 to 3000:1
- **Added early intervention, smart match, and clinical texting** to steer members to the right care at the right place at the right time
- **Enabled AI clinical triggers** to identify and connect with members about benefits, care gaps, and site-of-care redirections
- **Acquired a payment integrity firm**, with an expanded focus on small-dollar claims
- **Applied AI** for FWA detection

Then and Now: Building on What Works

- **Original Study (2019 Data): 19% savings rate + a move from inpatient to outpatient (48% lower inpatient med-surg)**
- **New Study (2022 Data): 23% savings rate + a move from outpatient to lower-cost sites (27% lower costs for outpatient)**



Notably, the total savings percentage included member cost-share, providing a truer representation of savings potential. An estimated 8% of U.S. adults are saddled with healthcare debt, with Black and middle-aged members disproportionately affected. Thus, accounting for employees' costs (not just employers') gives businesses more insight into potential impacts on worker productivity.

23% savings

\$762.96 per employee per year—including member cost-share

Additionally, the Wakely study included high-cost claims (over \$100K). They were not included in the 2019 data, but by including them in the current study, the analysis revealed 14% savings for those claimants. This comes as roughly half of employers report multi-million dollar claims.

Across all claims, the employers who saw the most cost savings were those who implemented the solutions for a longer period and those who implemented a wider range of solutions. It makes sense: The longer an employer has tools in place, and the more varied those tools are, the more touchpoints and time they have to make a difference.

“Most of the variations were around program selection,” Walmsley noted. “Services such as payment integrity, negotiation, and case management tend to see higher uptake, but population health, advocacy, and navigation also demonstrate savings—indicating they might be underused.”

“Plus, we found that many clinically-oriented solutions—representing about 9% of the 23% savings—improve over time as word-of-mouth increases within organizations,” she added. “And then, of course, our algorithms learn over time how best to predict which members to engage, too.”

Smart solutions, smarter savings

Three-year continuation study shows Personify Health sets the standard for market-leading savings

A switch to a self-funded health plan could save you money in a healthcare landscape where costs are seen to be rising.

Personify Health's expertise in cost reduction, risk management, and care efficiency can make all the difference for market-leading savings.

23% average cost savings vs. a self-funded plan

Notable findings include:

- Lower risk-adjusted medical costs:** Members saw 23% average lower costs vs. ASO market average, equating to \$762.96 per employee per year (PEPY).
- Emergency room cost reduction:** Emergency room costs were 19% lower, with some costs shifting to Urgent Care, resulting in net savings.
- Significant savings in facility costs:** Inpatient and outpatient services were 34% and 27% lower in cost than risk-adjusted claims representing the commercial marketplace in similar geographic regions.
- Lower out-of-network spend:** Out-of-network spend accounted for only 1.2% of total medical costs, compared to 7.3% for the benchmark population.
- High cost claimant efficiency:** Comprehensive high-risk intensity management.

About the Data: The Wakely Study

- **Data:** Personify Health health plan administration book of business data (5.3M member months)
- **Control:** Merative MarketScan data (60M lives)
- **Analyses were adjusted, such as for age, gender, disease prevalence, geography, and benefit design.**

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Identifying Value from Prevention and Wellbeing—The Merative Study

When members are empowered through personalized health solutions, high value awaits.

As a two-year independent study conducted by Merative Health Insights, this study asked: **How do wellbeing efforts affect medical and pharmacy costs?**

But maybe the bigger question, according to Dr. Jacques, is whether that work is even quantifiable. Many employers may believe there's no way to attach value to a wellbeing platform, a myth he says even he once believed.

"I started off a skeptic," Dr. Jacques said. "My background was in population health management and clinical analytics. When we became aware of wellbeing as a space, we said, you'll never prove ROI in a wellbeing platform. And with this study and others, lo and behold, we have overcome that obstacle."

The Merative study compared industry benchmark controls who had no member engagement with Personify's client member database who did. In that calculation, Personify client members saw 14% lower total healthcare costs year over year, amounting to \$699 saved per member per year.

What Merative Studied

- **Wellbeing and prevention**, including digital platform activities such as education, engagement, personalization, gamification, digital therapeutics, utilization, etc.

"We looked at employers across industries with a multi-year perspective on the impact of our superpower, which is engagement," Dr. Jacques said. "When you know how to motivate human behavior and drive change through investment in individual understanding, you can create a personalized experience. And this study proved that value."

14%
savings

\$699 per member per year



Improved care utilization and management contributed to total savings as more members were engaged and empowered toward personalized solutions. As a result, inpatient and pharma costs dropped as preventive healthcare and visits *went up*.

Costs Down, Health Up: What Member Engagement Helped Achieve

- 29%** lower inpatient costs
- 38%** lower pharmacy costs
- 21%** more investment on preventive health
- 23%** more preventive visits (such as cholesterol, mammogram, and cervical cancer screenings)

As with the Wakely study, this study emphasizes the importance of an integrated approach. Savings can come from multiple sources, from wellbeing initiatives (platform, ecosystem, coaching, screenings, digital therapeutics, etc.) and navigation and advocacy (benefits navigation, concierge, health advocacy) to health plan administration (payment integrity, pharmacy benefits management, stop/loss). All can lead to sustained cost control.

“We can deliver an integrated experience that goes from wellbeing all the way to managing complex clinical journeys,” Dr. Jacques said. “And no matter what service line you’re talking about—wellbeing, health plan administration, navigation—it all requires navigation and advocacy at its core to find people where they are and help them get the support they need.”



About the Data: The Merative Study

- **Data:** Five Personify wellbeing clients (61,000+ members)
- **Control:** Merative MarketScan data (293M lives)
- **Analyses were adjusted, such as for age, gender, relationship (employee vs. spouse), geography, and plan type.**

[Read the full report](#) →



Reduction of Healthcare Fraud, Waste, and Abuse—The FWA Study

Artificial intelligence helps employers monitor for and defend against unnecessary costs and services that compromise member care.

An estimated \$1 trillion in wasted claims or services get spent each year in the U.S.—not all of them fraudulent, but all of them somehow improper. Employers, caught in the middle, have long battled health insurance companies for more data transparency about waste and overpayments. Concerns about bills paid at twice the charged rate or other contested practices have left self-funded businesses feeling defenseless.

Could AI help? That's the question at the heart of the FWA study, a peer-reviewed effort from Personify Health, Health at Scale, MIT, and the University of Michigan. Published in NEJM Catalyst Innovations in Care Delivery, the study looked at how Health at Scale's AI-driven technology, deployed by Personify Health, could help find, escalate, and reduce FWA paid claim amounts.

What the FWA Study Explored

- Ability of AI-driven technology to detect FWA for claims \$4,000 and above

And help it did: A top-line savings of \$11.8 million (1.2% of the total spend) over eight months validated the technology's ability to root out waste and save money while addressing inequities. Of the claims escalated for clinical review, more than half—54%—were reduced, for an average savings of \$3,916 per claim.

Socially vulnerable members saved even more, at \$3,973 per claim. This underscores the role of technology in health equity efforts, as FWA disproportionately affects marginalized populations, study authors wrote.

\$11.8 million

saved over eight months, including \$3,973/claim for socially vulnerable members

Importantly, value came at various claim amounts, including low-cost, high-volume services. Of claims over \$50,000, 58% were reduced, and of claims \$5,000 to \$49,999, 56 to 68% were reduced. Historically, FWA programs have focused on manual high-dollar review above \$100,000. So this study adds two important elements to that knowledge—not just the AI assistance, but also insight into commonly overlooked claim thresholds.

“Using AI to fight FWA has been a key investment for many for the past decade, but most models have only provided incremental improvements and have failed to perform sufficiently to transform processes,” Walmsley said. “With real-time, AI-enabled FWA screening, we are unlocking substantial savings and operational improvements for healthcare stakeholders.

We’re now seeing the transformative potential of real-time AI solutions in combatting FWA and promoting cost-effective, patient-centered care delivery.”for healthcare stakeholders. We’re now seeing the transformative potential of real-time AI solutions in combatting FWA and promoting cost-effective, patient-centered care delivery.”



Top Savings Categories



Cardiovascular procedures
(\$10,332 average reduction)



Critical care services
(\$10,332 average reduction)



Musculoskeletal
(\$9,604 average reduction)



About the Data: The FWA Study

- **Data:** 2.6M+ claims from 276,000+ members from 2022 to 2023

Read the summary →



The Value of Integration: Holistic Services That Optimize Impact

In an all-encompassing health platform, clinical case management, advocacy, and wellbeing come together for unprecedented reach and cost control.

If the Wakely, Merative, and FWA studies tell us anything, it's that employers have many strategies to keep costs in check. A range of services across clinical advocacy, care navigation, case management, and wellbeing gives businesses the flexibility to customize their solution mix based on their organization's unique needs.

But they have to approach those opportunities holistically—and an integrated platform that combines services into a personalized experience meets that need. It also removes potential data siloes and disruptions while promoting continuity for employers and their workforce.

This matters. The data tells us that employees are not only uninformed about their best healthcare pathways but also have a low engagement in benefits. They accrue complex claims and often get stuck in a loop of uncoordinated, confusing, and high-cost care.

With integrated, personalized, and customizable services, employers can help narrow those gaps by meeting employees where they are—something Personify Health encourages across its four pillars. When solutions work together to activate, flex, engage, and inform, programs can help achieve unprecedented reach and cost control.

Personify Health's Four Pillars



We connect the disconnected.

Our seamlessly integrated solutions mean a more delightfully simple experience for you and your people. We give you everything from health care administration to care navigation to healthy living—all in one place.



We reject one-size-fits-all.

We get to know your unique needs and goals so we can tailor solutions, services, and experiences that meet them.



We design to engage.

We use science-backed methods to create engaging experiences that actually motivate people to manage and sustain their health.



We deliver ROI in more ways.

We draw on billions of data points and AI-powered analytics to personalize engagement and manage costs—at every point in your people's lives.

Wrap-Around Services



Third-Party Administration—Spending tracking, claims excellence



Wellbeing—Digital engagement, behavior science and data-backed personalization, outreach, gamification, education, live coaching, incentives



Navigation & Advocacy—Empowering smarter, high-value care decisions and equitable benefits access and improving employee experience, health outcomes, and savings.



Care & Condition Management—Nurses, coaches, therapists, social workers, dieticians



Payment Integrity—Claims review, FWA, negotiations, third-party liability

To Find More Savings, Look in More Places

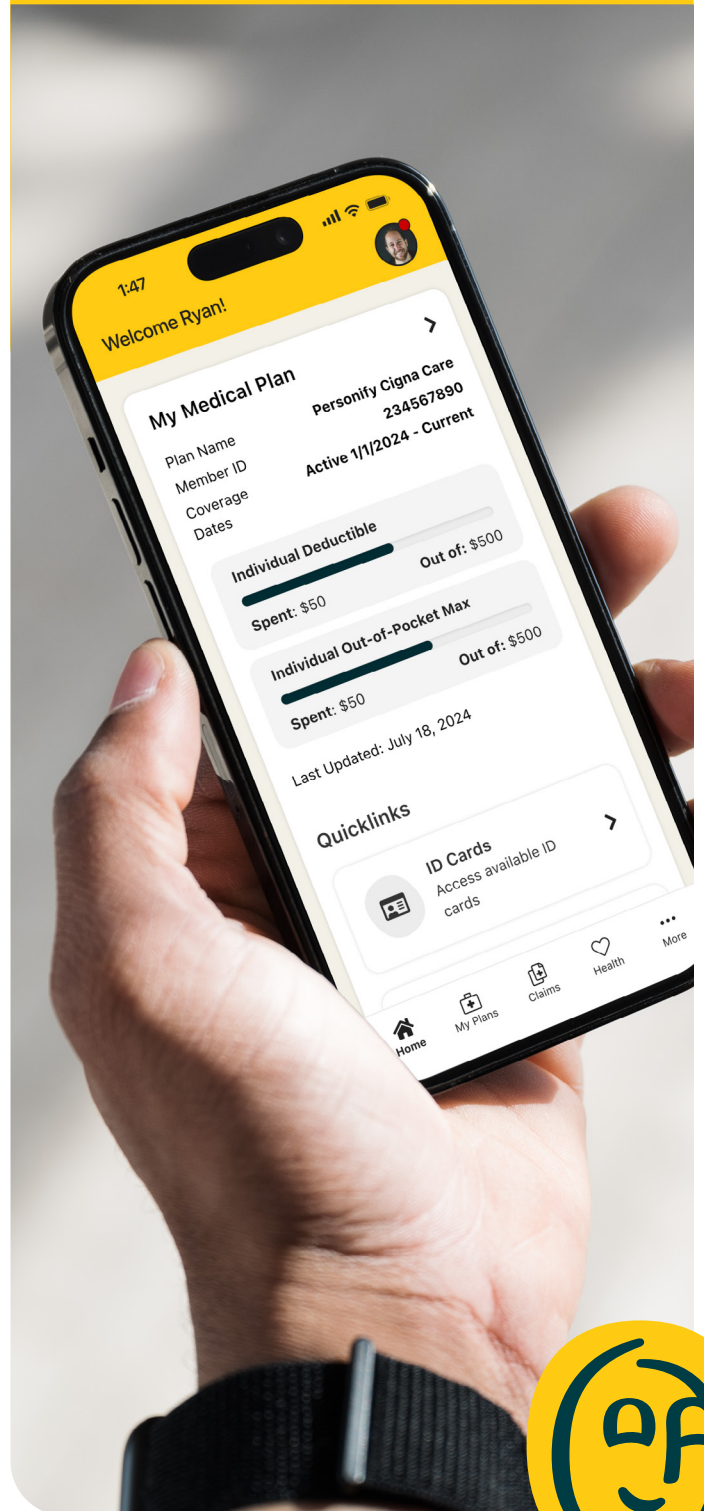
Employers often feel forced into impossible choices: Should they offer more benefits to keep employees happy? Or cut them back to manage expenses? Choose Option C: Take the path that's both cost-effective and member-centric with an integrated solution mix.

Businesses can capture fuller, more impactful savings by looking in overlooked places—especially in areas like population health where gradual, sustained savings are evident. That's not to say “big-ticket” areas like payment integrity are not important too. But the more expansive your savings capture strategy is, the more savings you see.

As a partner in health, wellbeing, and navigation, Personify Health continually invests in integrated services for improved cost control and member care management. We prioritize human expertise and emerging technology for scalable, sustainable opportunities to save.

And we can help you do just that. Learn how at personifyhealth.com.

Healthier lives, healthier businesses





About Personify Health

By bringing industry-leading health plan administration, holistic wellbeing, and navigation solutions together, all in one place, we have created the industry's first and only personalized health platform. With decades of experience and global operations, we empower diverse and unique businesses – and diverse and unique people – to engage more deeply in health at a lower cost. Through our proprietary combination of data-driven personalization, science-backed methodology, and concierge-level clinical expertise, our end-to-end platform makes it easier to proactively address people's needs across their lives. With a personalized, holistic, and powerfully simple experience, we are redefining industry expectations and what it means to manage health.

Let's connect →

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