

# The HR leader's healthcare affordability playbook: How to be an agent of change



As the trajectory of health plan costs continues to escalate, human resource (HR) leaders play a pivotal role in restoring balance between healthcare affordability and employee wellbeing. HR is uniquely positioned to understand how rising medical costs translate into workforce strain: missed care, delayed treatment, growing financial stress and medical debt. By examining what truly drives healthcare spending and identifying where affordability is breaking down, HR leaders can guide their organizations toward alternative plan options that support both fiscal responsibility and employee access to care.

Consider: Premiums, deductibles and pharmacy spend are climbing faster than revenues, wages or even inflation.<sup>1</sup> The familiar cost-containment strategies that implement high-deductible health plans (HDHPs), wellness programs and narrow networks have run their course, as data confirms that many of those programs have limited impact on outcomes or long-term spend.<sup>2</sup>

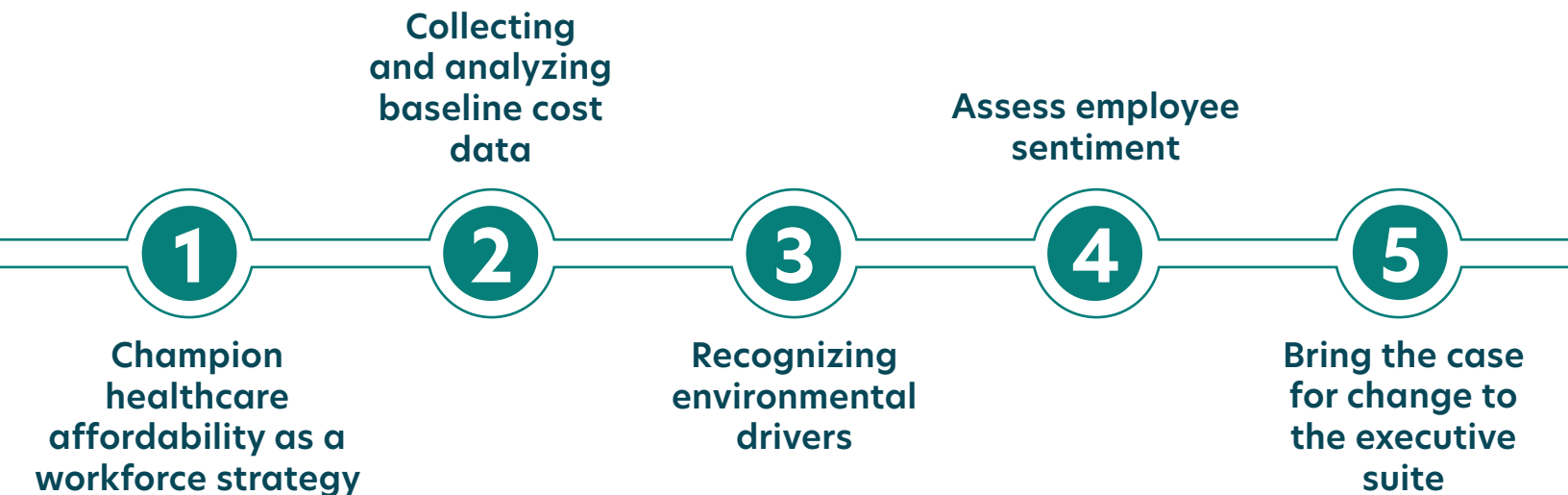
The urgency for employers to change the healthcare decisions they make is real – and HR can be the catalyst that moves organizations from reacting to rising costs to actively reshaping how care gets paid for and delivered. The pursuit of alternative payment models like reference-based pricing (RBP) that change the economics of healthcare cost requires an important mindset shift. Cost savings, although crucial to affordability, should be part of a broader workforce investment strategy. Savings that get directed toward what employees need most – primary care, accessible mental health support and lower out-of-pocket costs – are visible proofs that affordability and workforce satisfaction can coexist.

This new playbook offers HR leaders strategies to make the case for change. It has been developed for those ready to be agents of change. To assess current health plan design, identify hidden cost drivers and evaluate alternative health plan models such as RBP that bring transparency and predictability back into healthcare decision-making. Drawing on new cost transparency rules, market data and lessons from employers already resetting their cost baselines, this playbook helps HR leaders take steps to make healthcare more sustainable – for both their organizations and the people they employ.

## What's inside the playbook

This playbook includes frameworks, diagnostics and real-world signals to identify where affordability is breaking down. From identifying what drives costs to asking the questions that reveal hidden risks, HR leaders will find clear insights and actionable strategies that can result in long-term financial health for organizations and accessible, affordable care for employees.

This playbook guides HR leaders through a step-by-step approach for change:



# Champion healthcare affordability as a workforce strategy

Championing healthcare affordability is no longer just a benefits function; it's also a leadership responsibility. When employees can't afford to use their health plans, the effects ripple across employee engagement, productivity and retention. HR leaders have a unique vantage point: they see how benefits decisions shape the day-to-day realities of the workforce. By elevating affordability into executive conversations, HR can connect financial stewardship with workforce stability and show that fair and predictable access to care can also be a competitive advantage.

Leading on affordability also means grounding strategy in evidence. HR leaders must look for early indicators of workforce strain at the organizational level and then signal when health costs are outpacing wages or when benefits are no longer seen as desirable by employees. By combining such data with feedback from employees themselves, HR can steer executive leadership toward health plan designs that balance cost control with access and fairness, positioning an organization as one that protects both its people and its performance.

## Identify the signs of cost strain on your workforce

Each of the following signals that a traditional health plan may not be delivering value – for both the business and its people.

- **Employees delaying or avoiding care due to cost:** Often seen in high-deductible plans in which short-term savings lead to long-term health and productivity losses
- **Flat utilization with rising total healthcare spend:** An indicator that higher prices – not greater uses of care – are driving costs up
- **Renewals justified by so-called discount language:** Traditional health plan carriers' highlighting of savings percentages instead of total costs, which can signal inflated baseline pricing presented as value
- **Stop-loss premiums increasing each year:** A quiet warning that high-cost claims and volatility are growing faster than the plan's ability to absorb them
- **Pharmacy spending rising faster than medical spending:** Often a reflection of the growing use of specialty and GLP-1 drugs and requiring closer management of pharmacy benefits
- **Limited access to claims data:** A red flag for transparency in that when data is restricted, the practice often benefits the carrier, not the employer.
- **Wellness or engagement programs that shift costs, not outcomes:** Programs that reduce employer expense by increasing employee burden and that rarely change total healthcare spend
- **High waiver or opt-out rates:** Suggestive that employees no longer view the health plan as affordable or worth the deduction
- **Signs of financial stress in HR data:** Increases in absenteeism, deferred care or 401(k) loans, which can all point to health plan affordability challenges within the workforce

## 2

## Collect and analyze baseline data and benchmarks for an affordability framework

An affordability framework helps leaders understand what to measure and how to assess baseline healthcare costs against industry benchmarks with a view to build an evidence base for change. Such a framework guides a step-by-step process for interpreting a health plan's performance, analyzing the outcomes and building an approach to prioritize action and then aligning executive leadership around a sustainable health plan design.

### Evaluate health plan design through an affordability lens

Look beyond rates and discounts to the structures that determine real cost impact. Look to your broker partners or third-party administrator (TPA) to aggregate baseline data and benchmarks on your behalf across the following categories:

- **Health plan benefits mix:** Collect HDHP, preferred-provider-organization and health-maintenance-organization utilization data to reveal whether cost sharing is having an impact on the healthcare choices employees make. Look beyond initial cost savings to longer-term care and cost patterns.
- **Program performance:** Evaluate the real costs and outcomes impacts of wellness initiatives, HDHPs and other so-called cost-control programs. Many of them shift costs to employees without delivering either long-term, measurable reductions in total spend or improvements in health outcomes.
- **Network dynamics:** Identify markets in which hospital consolidations could be driving above-market rates hidden by “discount” language. Use claims data and publicly available data to compare pricing.
- **Health plan alternatives:** Assess which services and geographies could transition effectively to alternative payment solutions like RBP without disrupting access or quality.
- **Pharmacy exposure:** Model current spend and projected spend tied to specialty drugs and GLP-1 utilization trends under multiple scenarios (e.g., adoption rates, manufacturer pricing and rebate assumptions) to gauge future cost exposure and funding needs.
- **Out-of-pocket load:** Quantify average employee contributions, and model affordability by family size.
- **Benchmarks:** Determine whether there is visibility into claims repriced against Medicare or RAND Hospital Data – and identify gaps. When data access is limited, leaders should push health plan carriers or TPAs to fill those gaps so they can determine their true cost position and negotiate leverage.

### Action checklist: Turn insights into action

- ☐ **Rank impact versus influence:** Identify which cost drivers have the greatest financial impact and where the employer has leverage to act – and prioritize those first.
- ☐ **Validate what's controllable:** Distinguish between external market pressures (e.g., regional consolidations) and controllable plan-design choices (e.g., contribution strategy and network configuration).
- ☐ **Quantify business risk:** Translate affordability gaps into projected cost growth, wage suppression and turnover risk to elevate the issue from one involving benefits to one involving business strategy.
- ☐ **Identify quick wins:** Surface one or two actions that would deliver immediate visibility or cost relief (e.g., improving claims transparency and mitigating pharmacy trend volatility).
- ☐ **Compare health plan models side by side:** Conduct a cost-and-care analysis of the current plan against an RBP model to quantify savings potential, care impact and member experience differences.
- ☐ **Model alternative plan scenarios:** Use claims data to test phased or hybrid approaches to pay claims and price care differently, like RBP, projecting both savings and employee impact through the course of time.
- ☐ **Analyze pharmacy cost integrity:** Examine pharmacy-benefit-manager contracts and explore transparent pharmacy models that pass manufacturer savings through – directly to employers.

# 3

## Recognize environmental drivers of cost growth

Even the most thorough evaluation of cost baselines can miss what isn't readily visible in the data: the environmental factors for cost growth. Many believe their biggest cost drivers are employee behaviors or rising utilizations, but the data does not support those assumptions.<sup>3</sup> Costs are climbing because of the price dynamics built into provider markets, contract terms and broader drug economics.<sup>4</sup> This new playbook's efforts help surface those dynamics and reframe the affordability conversation around what's really shaping spend.

### Network pricing and “discounts”

Hospitals with concentrated market power sometimes charge two to four times Medicare rates,<sup>5</sup> yet network agreements still market those rates as “savings.” Discounts hide starting prices. Instead, tap brokers to pressure health plan carriers and TPAs to show the actual allowed amounts — not just the discount percentages.

#### Diagnostic cues

- Renewal packets highlight large “savings” without showing reference benchmarks.
- Utilization trends are flat, but total spend rises year over year.
- Network access is touted as a strength, but specific hospital pricing data is unavailable.

### Geographic market concentration

Research shows that regional hospital consolidations, especially in dominant systems, explain much of the price escalations employers face.<sup>6</sup> Costs swing wildly between markets — even for the same procedures. For comparative data, explore sources such as RAND's research report titled Prices Paid to Hospitals by Private Health Plans.

#### Diagnostic cues

- High spend is concentrated within one or two health systems.
- Plan participants in consolidated metropolitan areas pay per-member, per-month costs far above costs paid in rural or competitive regions.

### Contract terms that limit leverage

Multiyear carrier or TPA agreements often prevent access to claims details or comparative data. And the clauses in some agreements keep employers blind to pricing patterns, which undercuts their negotiating positions.

#### Diagnostic cues

- Health plan carrier is unable to release deidentified claims data.
- Contracts contain so-called proprietary-pricing language or penalties for data requests.

### Pharmacy costs' outpacing controls

- Innovation outruns cost control.
- Specialty drugs and GLP-1s represent a small fraction of claims but a growing share of total spend.

#### Diagnostic cues

- Year-over-year pharmacy trend exceeds medical trend by two points or more.
- Formulary changes are explained by so-called pipeline management rather than by data.

## Action checklist: Uncover environmental cost drivers

- ☐ **Verify real pricing:** Compare paid claims with independent benchmarks or public data to uncover pricing variances across hospitals, markets and service lines.
- ☐ **Map market concentration:** Use transparency tools to identify where provider consolidations limit competition and inflate costs and then flag those markets for contract renegotiation or alternative plan designs.
- ☐ **Pursue affordability-first plan models:** Explore transparent health plan designs that integrate RBP, direct provider relationships and fair-market reimbursement to lower costs without reducing care quality.
- ☐ **Secure data access:** Push for contract language that guarantees claims transparency. Shorten renewal terms or add performance clauses tied to data availability.
- ☐ **Quantify cost escalators:** Review health plan carrier contracts and TPAs for clauses that automatically raise administrative fees or inflate billed charges year over year.
- ☐ **Model emerging pharmacy risk:** Build multiyear spend scenarios for specialty and GLP-1 drugs by incorporating manufacturers' pricing shifts, rebate uncertainties and projected utilization growth.
- ☐ **Identify false savings claims:** Audit "discount" reporting and carrier-provided savings summaries for accuracy, and verify that reductions are tied to unit price, not inflated baselines.

### 4

## Assess employee sentiment toward the current health plan

A health plan works only if employees can afford to use it. Assessing employee sentiment helps HR leaders connect the dots between affordability and workforce well-being. Such signals as waiver rates, claim deferrals and utilization trends show where access is breaking down. Qualitative insights such as stories about skipped appointments, rising medical debt or care avoidance reveal the real costs behind the numbers. Together those things help HR leaders determine when a health plan has stopped functioning as a benefit for employees.

By translating the information into clear evidence, HR can make affordability a visible business issue rather than a hidden employee burden. The data serves to strengthen the case for making health plan changes, fostering executive leadership engagement and investing in options that make care both affordable and sustainable.

## Action checklist

- ☐ **Survey employees** – anonymously – about care delays, out-of-pocket strain and overall confidence in using their health plans.
- ☐ **Conduct focus groups or listening sessions** to gather real examples of the ways costs negatively affect care choices and learn more about affordability barriers.
- ☐ **Review HR metrics** such as absenteeism, turnover, 401(k) loans and wage advance requests for signs of financial stress linked to healthcare costs.
- ☐ **Analyze waiver and utilization data** to identify which employee segments are opting out or underutilizing coverage.
- ☐ **Track sentiment scores or informal feedback on benefit usability** to build the case for change.
- ☐ **Model affordability by salary levels** to reveal whether lower-wage employees face disproportionate cost burdens.
- ☐ **Share findings with leadership** to connect employee-experience data with measurable business risks and with opportunities for health plan redesign.



## 5

## Bring the case for change to the executive suite

With a full analysis now complete, HR leaders should initiate conversations with the executive suite to achieve alignment on what is truly driving costs and the best ways to tackle unsustainable increases. As an advocate for employees, HR leaders should frame the case for change as a workforce and cultural imperative backed by data, employee insights and clear risk modeling.

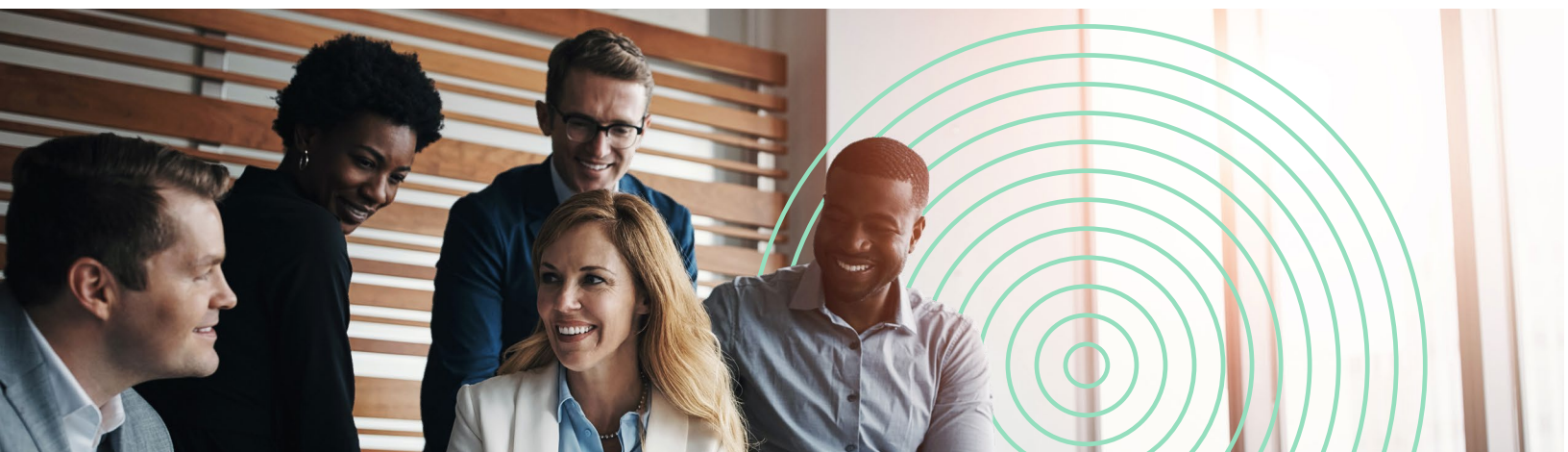
HR leadership's commitment will then shift the conversation from executive leadership's "How do we cut this year's increase?" to "How do we build a plan that supports both our people and our business for the next five years?"

When executive leaders understand what affordability means in real employee terms – in the forms of lost productivity, missed care and wage pressure – they begin to view the health plan as a core part of workforce strategy, not just a benefits expense. That visibility also builds accountability because when C-suite executives see how costs get driven, they can make informed decisions about risk, investment and reinvestment.

The HR leader's role is to translate the assessment into a side-by-side story by revealing what the employer is paying now versus what it could pay if pricing were visible – and negotiated on the true costs of care. The goal is not to replace a health plan immediately; it's to show what control looks like when every dollar spent is transparent. Achieving that goal requires partnership, and HR leaders should work closely with their brokers to interpret claims data, model alternative plan designs and present executive leadership with clear and evidence-based options.

### Action checklist

- ☐ **Anchor the executive discussion in data.** Bring claims, utilization, waiver-rate and employee-affordability metrics that reveal how costs are shaping workforce behavior.
- ☐ **Frame the transition as cultural stewardship:** Explain how affordability is part of how the organization takes care of its people, not just how it balances budgets.
- ☐ **Present transparent alternatives:** Model the current plan's true costs alongside an RBP or transparent pricing scenario that shows projected cost savings and employee impact in terms of deductibles, out-of-pocket spend and plan benefits.
- ☐ **Develop a reinvestment plan:** Show how verified savings can be redirected into benefits that employees value most – such as no-cost primary care, free maintenance prescriptions or expanded virtual access – to turn affordability gains into visible, trust-building outcomes.
- ☐ **Build support early:** Gain CEO and chief financial officer alignment before introducing change and develop clear communication plans that set expectations and reinforce the organization's commitment to transparency and employee support.
- ☐ **Prepare a phased road map:** Propose a controlled pilot, carve-out or multiyear transition that turns discussion into decision-making and measurable action.



## Become the champion of change

HR leaders define the future of affordability from inside an organization. Service, engagement and communication all matter, but none of them can offset the adverse impact of a plan employees can't afford to use. The real measure of leadership is whether the organization understands what it's paying for, what it's getting in return, and how those decisions affect its people.

The employers that are willing to explore transparent, fair-cost models like RBP pricing gain more than savings. They gain control over long-term cost trends, rebuild employee trust, and signal that financial discipline and workforce wellbeing can align.

Becoming the catalyst for change isn't about making the next renewal easier. It's about helping executive leadership see affordability as part of business resilience – and showing, with data and with conviction, that a sustainable health plan can support both fiscal strength and employee care.

---

## How RBP helps employers regain control

RBP restructures the ways claims get priced by benchmarking payments to external reference rates – usually, Medicare plus a margin. The method allows employers to see what care actually costs and pay fair, predictable rates across markets.

The result is greater financial control, transparency in contract negotiations, and a clearer path to reinvest savings into benefits that employees value most – like no-cost primary care, mental health support, or lower deductibles. RBP shifts the conversation from reacting to renewals to actively managing long-term affordability.

---

## Contributing experts

Bill Demberecky  
Chief Financial Officer,  
Imagine360

Erin Duffy  
Director of Business Development,  
Imagine360

Martino Luu  
Executive Vice  
President, Imagine360Rx

Matt Monda  
Senior Vice President of Employer  
Risk & Innovation, Imagine360

Chris Morocco  
Director of Business Development,  
Imagine360

Roslyn Murray  
Assistant Professor of Health  
Services, Policy and Practice, Brown  
University School of Public Health

## About Imagine360

Imagine360 is a leading healthcare solutions provider that helps self-funded employers take control of their healthcare costs while delivering better experiences for members. With more than 18 years of expertise in RBP and health plan administration, Imagine360 develops fully integrated solutions that combine deep industry knowledge, data-driven strategies and concierge-level support for employers. The company partners with employers, brokers and consultants to design and manage customized health plans that lower costs, increase transparency and improve outcomes – without compromising quality or access. Backed by dedicated advocacy, legal protection and proven results, Imagine360 is reimagining what smarter healthcare can look like for organizations and their employees.

Learn more at [Imagine360.com](https://Imagine360.com) or [subscribe](#) for more content like this.

## References

- 1 Roslyn C. Murray, PhD, MPP, Playing Healthcare Hardball, Alliant seminar, May 7, 2025.
- 2 RAND Corporation, Prices Paid to Hospitals by Private Health Plans: Findings from Round 5.1, 2024. [www.rand.org/pubs/research\\_reports/RRA1144-2-v2.html](https://www.rand.org/pubs/research_reports/RRA1144-2-v2.html).
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 Ibid.