McGohan Brabender
A Higginbotham Partner



From Reactive to Proactive

Controlling healthcare costs through prevention and risk management

We are seeing a noticeable shift in how employers approach preventive care. Employers are investing in programs that help employees build healthier habits, access preventive care, and manage health risks before they become expensive medical conditions. Rather than relying heavily on on-site wellness events and biometric screenings, many organizations are encouraging greater involvement from primary care providers (PCPs). The goal is to establish ongoing relationships between employees and their healthcare providers, improve preventive care compliance, and identify health risks before they develop into costly claims.

Why High-Cost Claimants Matter

A small share of members drives a disproportionate share of claims – we call these members High-Cost Claimants. For our reporting, a High Cost Claimant is anyone with spend over $50,000 in a 12-month period. From our Book of Business, we know that:

of total claims come from HCCs



of members drive 53% of claims



less in cost per HCC from wellness-focused employers

High-cost claimants typically do not appear overnight, these conditions have been building over time. Annual primary care visits, appropriate screenings, and ongoing condition management create opportunities to **identify and intervene** with these members, often before they become catastrophic claimants.

Focus on Conditions Before Costs Escalate

- Promote annual physicals, bloodwork, and recommended cancer screenings.
- Target diabetes, hypertension, obesity, cardiovascular disease, and other chronic risks.
- Connect members with care navigation, coaching, and medication-adherence support.
- Address mental health and lifestyle barriers that can complicate physical conditions.

THE COST OF POOR CONTROL

Controlled diabetes may cost a few thousand dollars annually. Uncontrolled diabetes can lead to dialysis, amputations, cardiac events, and hospital admissions/ER Visits costing hundreds of thousands of dollars per year.

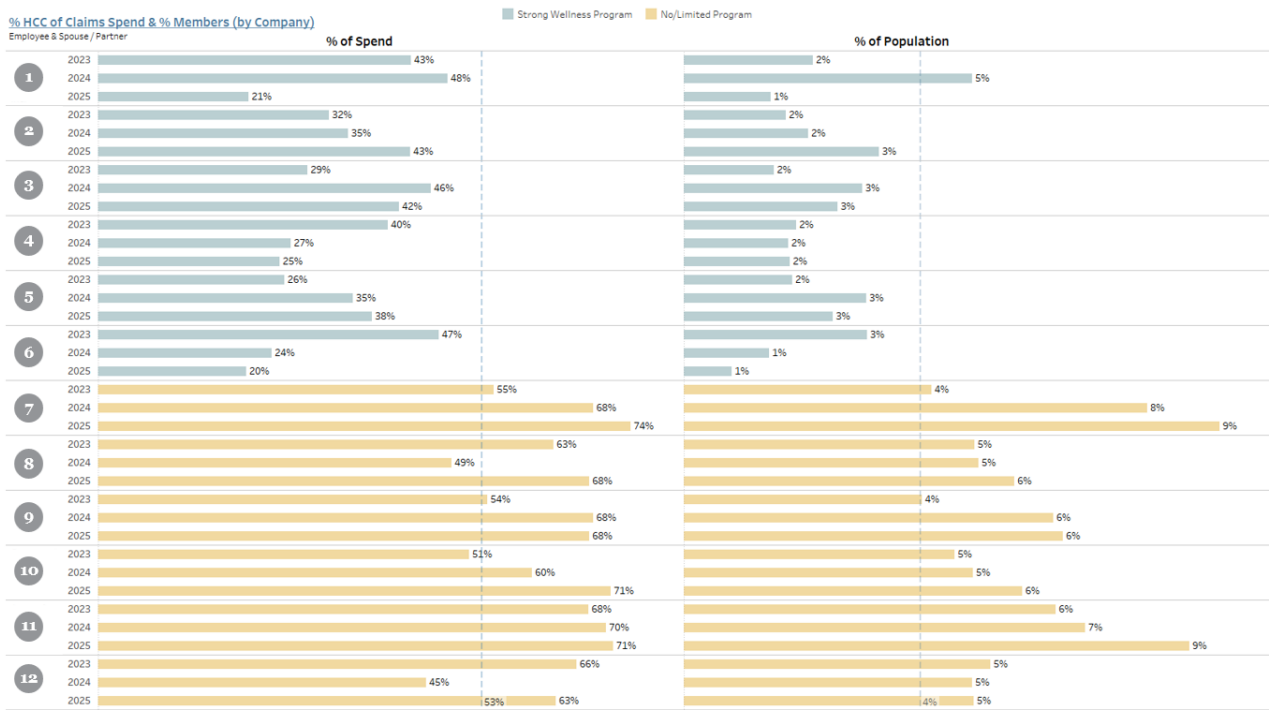
Chronic Disease Costs Are Reshaping Employer Priorities

Another key area of focus is Chronic Conditions. The financial burden of chronic disease in the United States is staggering. **Chronic conditions account for approximately 90% of the nation's $4.5 trillion in annual healthcare expenditures**, making them one of the most significant cost drivers for employer-sponsored health plans.

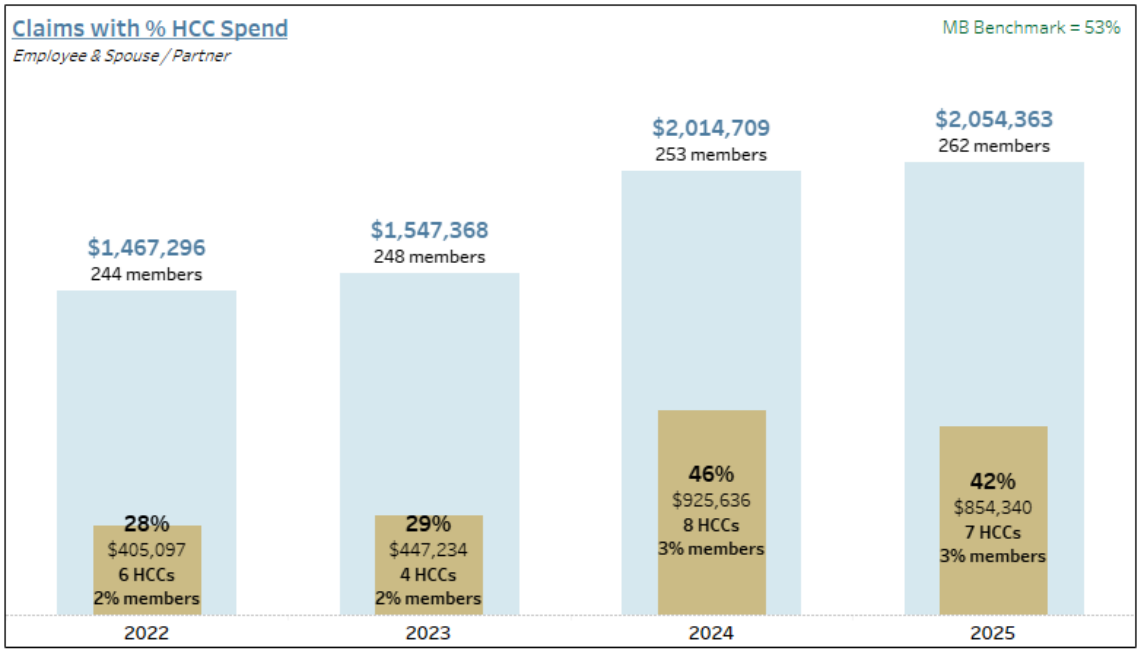
Proper management of chronic conditions leads to healthier employees, reduced absenteeism and improved workforce productivity, fewer disability & worker's comp claims, reduced healthcare utilization, and lower total cost of care by preventing disease progression and avoiding costly complications.

What the Analysis Found

Organizations with strong wellness programs had a lower concentration and lower average cost of high-cost claimants than organizations with limited or no wellness initiatives.



High-cost claimant spend and population concentration



Client example: high-cost claimant share remained below the 53% benchmark

What the Analysis Found

- Invest earlier in preventive care and disease management.
- Use incentives and communication to strengthen participation.
- Monitor the percentage of members and spend attributable to high-cost claimants.
- Evaluate results alongside demographics, plan design, clinical risk, and other cost drivers.

THE BOTTOM LINE

High-cost claims cannot always be prevented, but proactive health management can improve the odds of earlier identification, better control, and lower downstream cost.

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