



# Rethinking ROI in Employer Health Benefits

Stop healthcare waste at the source.

## The CFO's Blind Spot in Healthcare Costs

Most CFOs tell us that they feel like they can successfully manage every expense except healthcare. Costs rise year after year, no matter what you tweak. The truth is that even with negotiated rates, most cost-management efforts start too late and kick in only after the claim is already incurred.

Research published in JAMA found that **roughly 25% of total U.S. healthcare spending – nearly \$760 billion to \$935 billion annually – is waste stemming from preventable complications, administrative inefficiencies, and low-value care.** Yet few employers focus on the source of that waste, the employee's first decision about which doctor to see.

## The Cost Savings Illusion

CFOs have long relied on familiar levers to control healthcare spend – adjusting deductibles, changing carriers, consolidating vendors, or trimming plan richness. These levers might reduce exposure temporarily, but they don't address the real driver of costs: clinical quality variation.

## The Hidden Truth:

The best way to lower healthcare costs isn't to negotiate harder. **It's to prevent bad care before it starts.**

Even among in-network providers, performance can vary dramatically. Studies from Johns Hopkins show that **patients treated by lower-performing providers experience complication rates up to 3x higher**, driving cascading claims costs and productivity losses.

When an employee chooses the wrong provider, every downstream cost multiplies – imaging, prescriptions, rehab, even re-admissions. **The result is that CFOs believe they are managing costs when, in reality, they are only shifting waste.**

## Hidden Cost Drivers:



Poor provider  
selection



Unnecessary imaging  
and consults



Repeat  
procedures



Extended disability  
and absenteeism

## The Hidden Multiplier Effect

A single poor provider choice can create a chain reaction of expenses across multiple benefit programs.

According to Mercer's Health & Benefit Strategies for 2025, **two-thirds of employers say their benefits programs underperform** due to "misaligned or fragmented care pathways." CFOs invest in disease management, wellness, and second-opinion vendors — but if the initial care path is wrong, those investments deliver diminishing returns.

Consider two employees with the same knee issue. One sees a top orthopedic surgeon who treats it without surgery, avoiding a major claim. The other sees an average in-network surgeon who moves straight to a knee replacement that could have been avoided, **adding \$20,000 to \$40,000 in unnecessary costs.**

## A Smarter Starting Point

The most effective cost control starts before care begins. SelectDr uses objective, outcomes-based physician data to match employees to the right in-network doctor for their health need.

Unlike consumer review sites or network directories, **SelectDr evaluates provider skill and experience** — not office decor or bedside manner. Employees can be confident that their doctor has proven results for their condition, reducing complications and unnecessary utilization.

**Implementation takes days**, not months — no new apps, workflows, or vendor stack required.

### The Hidden Truth:

One poor doctor choice doesn't stop at a single claim. It drives higher spend across **your whole benefits ecosystem.**

## The Payoff

The best part is that you can start saving right away by:

Lowering avoidable claims from unnecessary procedures, incorrect care paths, and low-performing providers.

Reducing the high-cost fallout from complications, repeat visits, and stalled recoveries.

Getting more value from your existing benefits partners, which shows up in lower near-term costs.

## Return on Informed Decisions

In most areas of the business, CFOs expect ROI to rise year over year. Healthcare works the opposite way. The return you want, healthier and more productive employees, stays flat while your investment keeps climbing. ROI slips no matter how much you negotiate.

The fastest way to change that trend is to improve the first decision employees make, which doctor they see.

### The ROI that matters:



#### Fewer bad claims.

Avoiding low-quality or unnecessary care can reduce total claim costs by 10–20% and stop-loss exposure.



#### Faster recoveries.

Higher-performing physicians shorten recovery times reducing lost time.



#### Better vendor performance.

When the first care decision is right, downstream programs like disease management and wellness work more efficiently.



#### Greater employee trust.

Gallup's 2025 Workplace Health Confidence Index found that employees who trust their benefits experience are 2.3x more likely to rate their employer as "a great place to work."

**ROI in healthcare isn't about spending less. It's about spending right.**

### Sources

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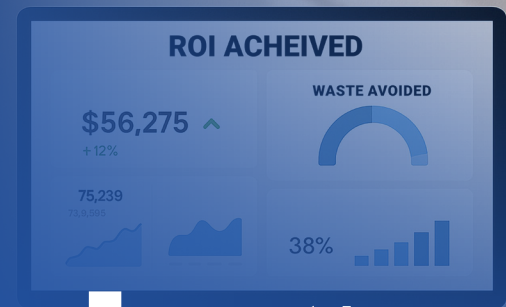
## Seeing Waste Before It Happens

The problem isn't that healthcare costs can't be controlled, it's that most companies have been fighting the wrong battle.

**You don't need another point solution. Cut the waste buried inside your claims.**

By guiding employees to proven, in-network doctors before they seek care, SelectDr delivers a form of cost control that works upstream where it matters most.

**Find the hidden waste driving up your healthcare spend.**



REVEAL MY PLAN'S ROI