



Smart Purchases Start With Knowing the Price

Why Upfront, Transparent Pricing
Is the Only Way to Purchase
Specialty Care Responsibly



Table of Contents

1. 'Where Else Would You Buy Something Without Knowing the Price?'
2. The Question Employers are Now Asking
3. Why Retrospective Pricing Models Fall Short of Responsible Purchasing Standards
4. Responsible Purchasing in Specialty Care
5. The Price Must Come First
6. The Standard Is Yours To Apply

‘Where Else Would You Buy Something Without Knowing the Price?’

A Fortune 500 employer had partnered with a specialty care network vendor for several years. The solution appeared strong on paper: a high-quality provider network, concierge navigation, and a compelling promise of millions in savings through a shared-savings pricing model.

Utilization was steady. Reported savings were consistent.

But over time, a simple question surfaced:

What exactly are we paying for each procedure?

The answer was surprisingly difficult to obtain.

Prices were not defined upfront. Instead, costs and savings were calculated retrospectively — often months after care occurred — based on comparisons to estimated benchmarks. The numbers appeared credible, but they were difficult to independently verify.

More importantly, the structure created a governance problem. Without a defined price in advance, the organization could not reliably forecast costs, validate savings, or confidently explain the program’s economics to finance and procurement stakeholders.

As one executive put it:

“Where else would you buy something without knowing the price?”

Eventually, the company made a change.

It transitioned to a model built on **upfront, fully transparent bundled pricing**. For every procedure, the organization received a defined, all-inclusive price before care occurred — with clear vendor economics and contractual accountability for financial results.

For the first time, the company could answer the most basic procurement question:

What does this cost?

The same executive later summarized:

“This is the only way specialty care should be purchased — responsibly.”

Would you buy this
without knowing the price?



Why should healthcare be
any different?

The Question Employers are Now Asking

This scenario is not unique.

Across the healthcare ecosystem, employers are confronting a fundamental challenge:

Can a purchase be considered responsible if the price is not known in advance?

In many specialty care arrangements today, the answer remains unclear.

Employers evaluate provider networks, member experience, and reported outcomes — yet often lack a clearly defined price for the care itself. Savings are calculated retrospectively, based on modeled benchmarks rather than known costs.

The result is a purchasing structure where the most fundamental element of any transaction — **price** — is often the least transparent.

In effect, purchases are made without a clearly defined price, with pricing often determined only after decisions have already been made.

At the same time, expectations are changing. Benefits leaders are increasingly required to demonstrate that healthcare purchasing decisions meet the same standards of financial discipline, auditability, and fiduciary accountability applied across the enterprise.

Without defined pricing, those standards become difficult — if not impossible — to meet.



Why Retrospective Pricing Models Fall Short of Responsible Purchasing Standards

1. Purchasing Without a Defined Price Creates Immediate Governance Risk

In nearly every area of enterprise spending, purchasing without a known price would be unacceptable.

Yet in specialty care, this has become normalized.

Employers commit to care pathways without knowing the cost in advance — relying instead on retrospective calculations to determine savings after the fact. This creates uncertainty not only in budgeting, but in whether the purchase itself meets basic standards of financial governance.

A model that requires decisions to be made before pricing is known is not simply imperfect — it is fundamentally misaligned with responsible purchasing.

2. Shared-Savings Economics Are Structurally Difficult to Verify

Shared-savings models attempt to demonstrate value retrospectively by comparing the cost of completed care to an estimate of what it “would have cost” elsewhere.

These estimates rely on:

- claims data
- regional benchmarks
- methodological assumptions

In many cases, key variables — such as site of care, provider selection, and outcomes — cannot be known with certainty and must be modeled.

The result is a system where:

- savings depend on how benchmarks are constructed
- outcomes are sensitive to methodological assumptions
- results are difficult to independently validate

For procurement and finance leaders, this creates a fundamental issue:

The economics of the model cannot be evaluated with confidence before — or even after — the purchase is made.

3. The Model Fails Fiduciary and Procurement Standards

Healthcare purchasing does not operate outside enterprise governance — it is subject to it.

Under frameworks such as the Employee Retirement Income Security Act (ERISA), employers must demonstrate that decisions are made with prudence, transparency, and in the best financial interests of plan participants.

At the same time, procurement functions require:

- defined pricing
- transparent vendor economics
- auditable financial outcomes

Shared-savings models fail to meet these requirements:

- Pricing is not established in advance
- Vendor fees are embedded within savings calculations
- Financial outcomes rely on proprietary benchmarks

This creates a governance gap — where purchasing decisions cannot be evaluated using the same standards applied to every other enterprise investment.

Other industries have faced similar challenges. In programmatic media buying, opaque pricing structures and undisclosed financial arrangements ultimately led to regulatory scrutiny, loss of trust, and market correction.

How specialty care is purchased is now approaching a similar inflection point.

4. Even Regulatory Protections Cannot Eliminate Financial Uncertainty

Recent policy changes reinforce this reality.

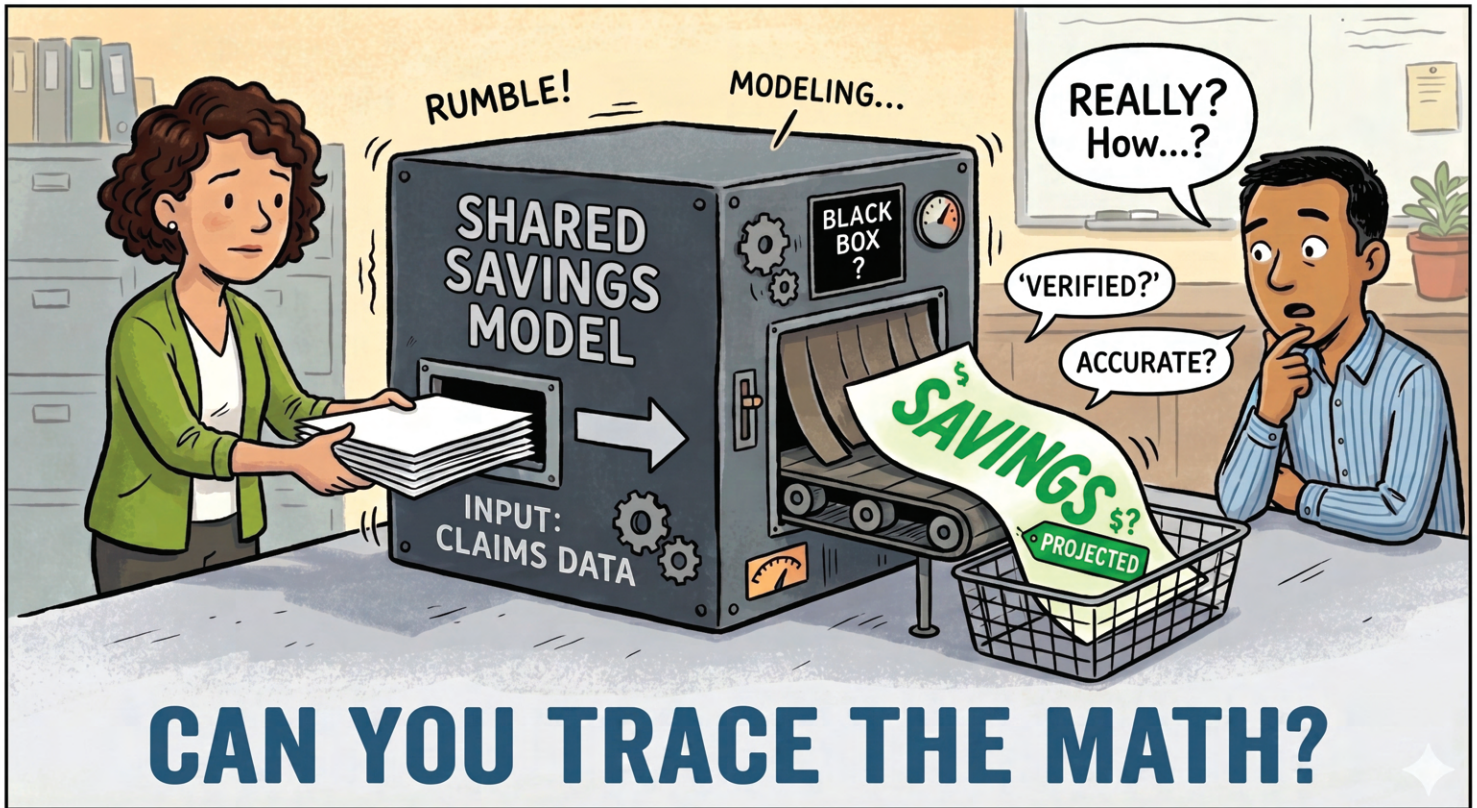
The No Surprises Act was designed to protect patients from unexpected medical bills. Yet its arbitration process has introduced new financial dynamics for employers.¹

- More than 2.6 million disputes were filed in 2025
- Arbitrated payments are often **3–4x higher** than in-network rates
- The process has added **billions in incremental cost**

In one documented case, a large employer incurred approximately **\$6.6 million in unexpected exposure** despite these protections.

The takeaway is clear:

When pricing is not defined upfront, financial outcomes remain unpredictable — even in regulated environments.



CAN YOU TRACE THE MATH?

When pricing is not defined upfront

You Have a Financial Problem

You can't clearly answer 'what are we paying?'

Costs are difficult to forecast

Savings are hard to validate

True financial impact remains unclear

You Have a Governance Problem

The purchase doesn't meet enterprise standards

Purchase is difficult to evaluate

Results are harder to audit

Decision to buy is more challenging to defend

Responsible Purchasing in Specialty Care

Taken together, these dynamics point to a single conclusion:

Specialty care must be purchased with the same financial rigor as every other enterprise investment.

This is the foundation of **Responsible Purchasing**.

It is not a new concept — but a return to fundamental financial discipline.

A new standard has emerged — the **responsible purchasing model** taking shape around a small number of clear, non-negotiable requirements:

- A known price before care occurs
- Transparent, vendor verifiable economics
- Designed for fiduciary standards

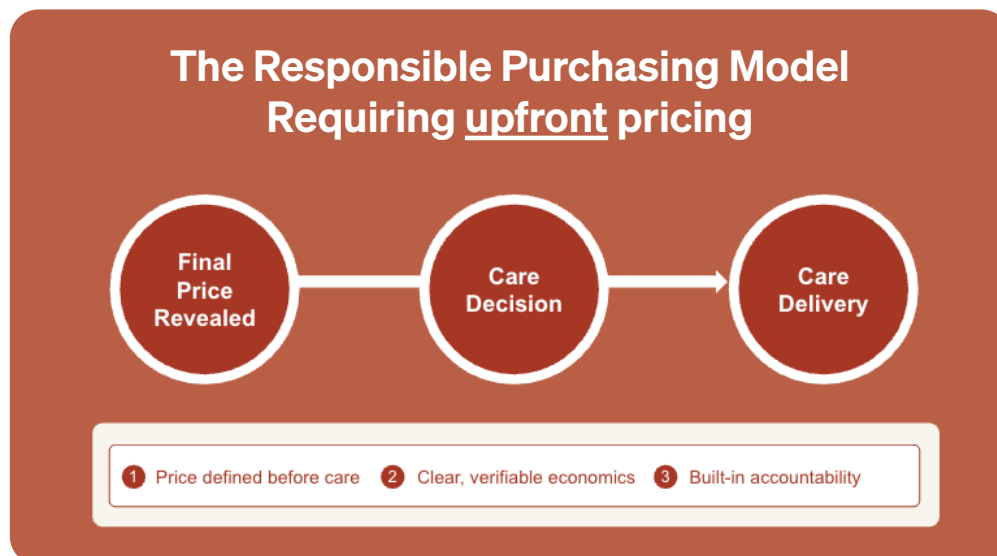
The Implication

When this standard is applied:

- Models based on retrospective calculations and undefined pricing fail to qualify
- Models built on upfront, transparent pricing meet the standard

Responsible Purchasing becomes more than guidance.

It becomes a qualification filter.



The Price Must Come First

When organizations evaluate specialty care through this lens, the distinction becomes clear.

In responsible models:

- prices are defined upfront
- vendor economics are transparent
- financial outcomes are understood in advance

Employers are no longer asked to trust a methodology.

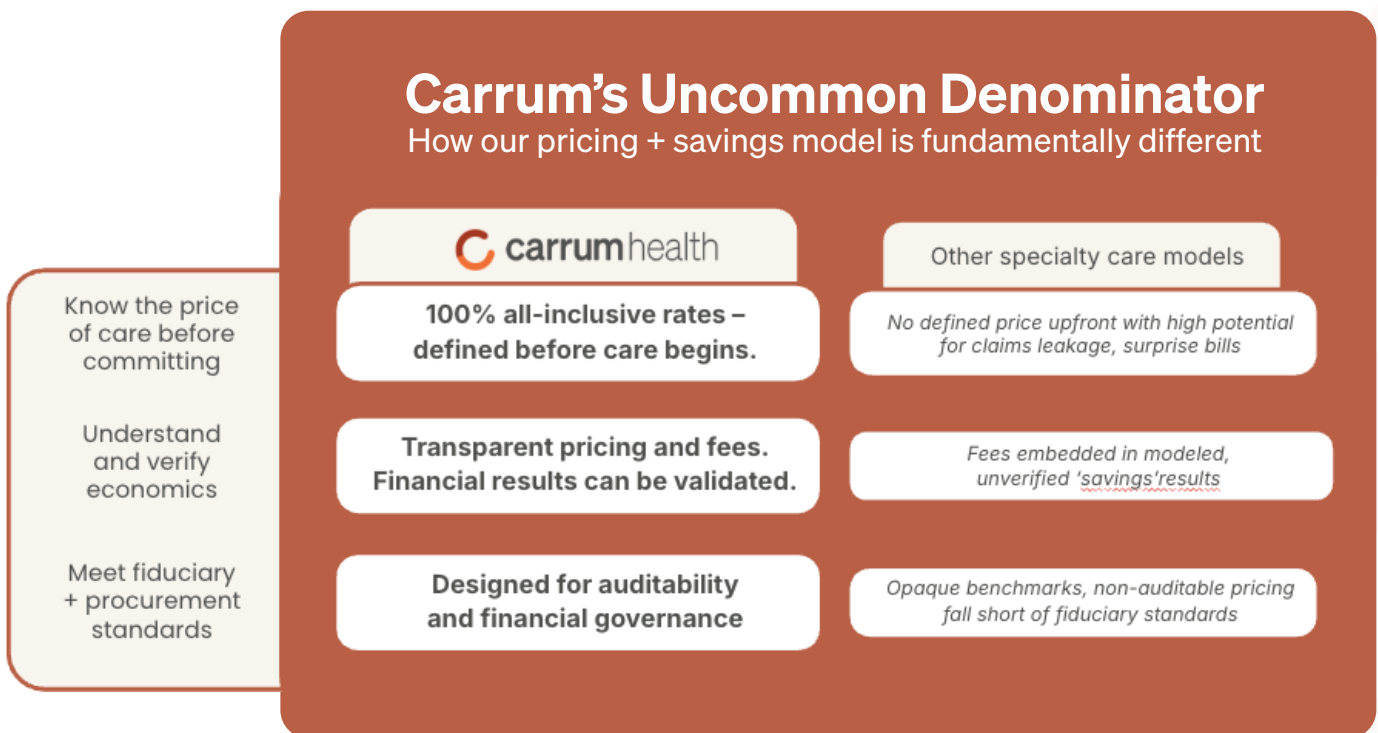
They are able to evaluate a **defined economic structure**.

This model is already in practice.

Carrum Health is built on this model — the only way to purchase specialty care responsibly. With upfront, all-inclusive bundled pricing, transparent economics, and clearly defined financial accountability, employers can evaluate costs, validate savings, and manage spend with confidence before care occurs.

And as procurement and fiduciary standards are more consistently applied, the direction of the market becomes increasingly clear:

The price must come first.



The Standard Is Yours To Apply

The way specialty care is purchased is changing.

As financial pressure increases and scrutiny from procurement and fiduciary stakeholders grows, organizations can no longer rely on models built on opaque pricing or retrospective calculations.

The expectations applied to every other category of enterprise spending are now being applied to healthcare.

Responsible purchasing is not a trend.

It is a return to financial discipline.

And as this standard takes hold:

- models that cannot meet it will fall out of consideration
- models built on transparency will define the future

The question is no longer whether savings are promised — but whether the price of care is known and transparent enough to verify them.

Ultimately, that standard is yours to apply.



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