Vitality
Funding Flex

A new approach to healthcare funding, enabled by Vitality AI

The challenge: Healthcare affordability is stuck in a broken loop

Employers keep paying more for healthcare without changing the behaviors that drive cost.

At current trends, employer healthcare spend could reach approximately **$34,000 per employee by 2031**, while traditional levers such as higher deductibles, higher contributions, co-pays, and narrower networks have largely shifted costs rather than bent the curve.

The opportunity:
Up to 40% of costs are controllable

A meaningful share of healthcare spending is influenced by factors that sit outside curative care: prevention, physical activity, sleep, nutrition, medication adherence, screening, and condition management. These are the behaviors and interventions that determine whether, when, and with what severity someone enters the healthcare system.

The gap:
Cost controls and wellness programs each solve only half the problem

Cost-management tools act after people become patients. Wellness programs can improve engagement, but often fail to translate behavior change into measurable, defensible claims savings. What has been missing is a mechanism that connects verified health engagement directly to the economics of healthcare funding.

The solution:
Turn engagement into shared economic value

Vitality Funding Flex links a member's verified progress against a personalized health pathway to the proportion of healthcare contribution they fund. As engagement increases, the employee can contribute less; as risk falls, the employer is protected from escalating healthcare costs. The result is value sharing, not cost shifting.

WHAT'S MISSING?

A MECHANISM THAT CONNECTS HEALTH BEHAVIORS TO HEALTHCARE FUNDING.

1 Vitality understands how behavior changes outcomes

Vitality's evidence base spans decades of behavior-change experience and more than **60 million life-years of data.** This gives Vitality a causal foundation for linking verified engagement to reduced risk, lower claims, and defensible economic value.

2 Status makes health progress measurable

Vitality Status translates verified actions across prevention, physical activity, sleep, screening, adherence, coaching, and condition management into a single measure of sustained engagement. That status can then be used as a fair, explainable signal for contribution design. Status has been independently validated against risk-adjusted medical claims and backed by a **$100,000 credibility guarantee.**

3 Vitality AI personalizes the path for every member

Built with Google Cloud, Vitality AI uses more than **2,800 de-identified data dimensions** to deliver the right nudge, to the right person, at the right time—across lifestyle, screening, condition management, medication adherence, and coaching.

4 Employees become stakeholders in their health

Vitality Funding Flex enables members to share directly in the value they create when they complete personalized health actions. Higher engagement can translate into lower employee contributions, while the employer benefits from reduced risk and lower expected claims.

5 The outcome is true alignment

Vitality Funding Flex creates a three-way alignment: employees are materially rewarded for sustained engagement, employers are protected against avoidable cost growth, and health plans gain a differentiated commercial solution that connects engagement, affordability, and measurable outcomes. The result? The employer can generate **$400,000 in bottom line savings per 1,000 employees** across all behavior change scenarios.

What this means for Health plans, Employers, and Benefits Consultants

A DIFFERENTIATED EMPLOYER-MARKET SOLUTION

Vitality Funding Flex gives health plans and employers a new way to address healthcare affordability by linking premiums, contributions, and HSA funding strategies to measurable health engagement.

A MORE SUSTAINABLE AFFORDABILITY MODEL

Rather than relying solely on cost shifting, Vitality Funding Flex creates a framework that aligns personalized health management, risk reduction, and healthcare financing.

BUILT FOR EMPLOYER POPULATIONS

The framework is designed for employer-sponsored healthcare and can be applied across benefit strategies.

The future of healthcare funding

When people improve their health, everyone should share in the value created.

Vitality AI and Vitality Funding Flex connects personalized health management, measurable engagement, and healthcare funding into a single model, helping create a more equitable and sustainable future for healthcare.

Find out more

Scan the QR code to read the full white paper.

09/26 | RN1304954