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Vitalic Health

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EXCLUSIVE SURVEY

Healthcare leaders agree: Time for action on affordability

Top executives weigh in on financial sustainability, patient impact and the path forward.

Top industry leaders surveyed by Vitalic Health say affordability isn't just a cost problem — it's a design problem. Solving it will take a multistakeholder effort.

BY JENI WILLIAMS
Senior Editor, Special Reports

Leading U.S. healthcare executives across sectors unanimously agree their organizations must help make care more affordable, but they are split on how to drive systemwide change, a Vitalic Health survey found. They also disagree on whether the U.S. healthcare system is structurally capable of directing savings back to consumers.

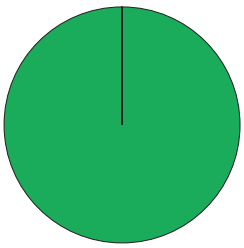
The invitation-only survey of 30 top experts across U.S. health systems, health plans, health tech, care transformation, consumer advocacy and the capital markets comes at a time when the urgency around healthcare affordability challenges is rapidly ramping up.

Healthcare costs rank among the top four financial concerns facing American families, higher even than concerns about insufficient income, the risk of job loss, high levels of debt or lack of savings, a Gallup poll found.[a] Just under half of Americans fear they won't be able to pay for routine medical care.

Meanwhile, one-third of Americans are actively making trade-offs to reduce healthcare costs, including stretching out their prescription medications to delay the expense of filling a prescription, another Gallup poll found.[b] Three

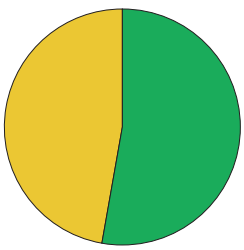
Taking a pulse on affordability concerns

Q: My organization must share in the responsibility of making U.S. healthcare more affordable.



100% YES

Q: Do you believe the healthcare system is structurally capable of giving savings back to patients?



53% NO

47% YES

Source: Vitalic Health Affordability Survey, April-May 2026

About the survey

HFMA's Vitalic Health Initiative invited leading healthcare executives across sectors to participate in a survey about how to move the needle on healthcare affordability and eliminate the barriers that stand in the way of progress.

This invitation-only survey included 30 of the foremost leaders from the nation's largest health systems, U.S. health plans, healthcare consultancies, private equity companies, health tech companies, consumer advocates, and experts in care delivery transformation, the capital markets, pharmacy benefit management, healthcare analytics and system change.

a. Saad, L., "Affordability still dominates Americans' financial worries," Gallup, April 28, 2026.

b. Maese, E., "One-third of Americans cut back to cover healthcare expenses," Gallup, March 12, 2026.

Gauging capacity for change

Q: If affordability became a binding goal for your organization, what would most likely have to change first?

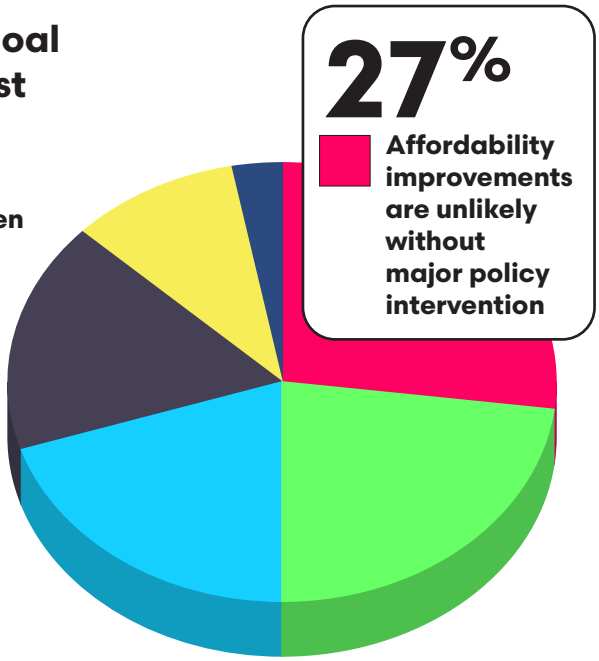
23% Reduce administrative complexity even if it reduces negotiating leverage

20% Accept lower margins in exchange for long-term system stability

17% Shift more care to lower-cost settings even if revenue declines

10% Partner with competitors or payers on affordability initiatives

3% Slow capital expansion and service line growth



Source: Vitalic Health Affordability Survey, April-May 2026

out of 10 say the cost of care is healthcare's most urgent problem.[c]

Pressures like these reflect what Vitalic Health, powered by the Healthcare Financial Management Association, calls the *Healthcare Affordability Paradox*. Despite three decades of medical breakthroughs, health tech innovation and legislative reform designed to improve the cost and quality of care, health span has not improved, while affordability continues to decline.

"You cannot achieve provider sustainability by shifting costs to patients who cannot bear them. And you cannot achieve patient affordability by dismantling the operating models of the institutions that care for them," said C. Ann Jordan, JD, president and CEO, HFMA.

"Financial health at the institutional level must align with financial health at the human level. The leaders who design for that alignment deliberately will define what this industry becomes."

Healthcare at a tipping point

The survey of healthcare insiders across sectors gave a glimpse into the state of efforts to control healthcare's cost curve. It also offered an expert view into what it will take to move the needle on healthcare affordability.

Nine out of 10 leaders said they believe the current U.S. healthcare system isn't financially sustainable. In fact, 77% believe U.S. healthcare is either at an existential tipping point or will reach that point within three years.

And when it comes to healthcare affordability, one-third of respondents say no single stakeholder can lead the charge alone.

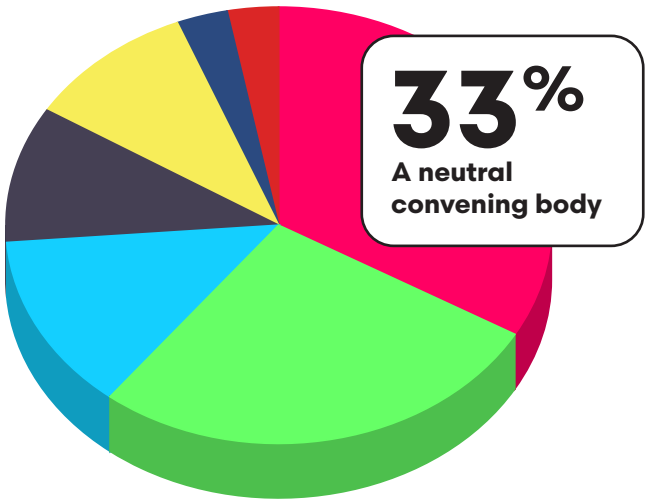
At Henry Ford Health in Detroit, leaders are working to amplify discussions around what it will take to achieve healthcare affordability.

"We've been working on a communication strategy and a community strategy to help people more broadly understand the multitude of factors that go into healthcare affordability and that it's going to take all of us to solve it," said Robin Damschroder, FACHE, president, value-based enterprise and CFO for Henry Ford Health System.

c. Saad, L., and Brenan, M., "Cost leads Americans' top-of-mind health concerns," Gallup, Dec. 15, 2025.

Leading the charge

Q: Which stakeholder is best positioned to lead the movement for healthcare affordability?



33% **A neutral convening body** — no single stakeholder can lead alone

27% **Federal government** — only policy mandate and scale can drive systemwide change

13% **Employers** — as the dominant private purchasers with direct financial skin in the game

10% **Technology and financial sector entrants** — disruption from outside is the only viable path

10% **Health plans and payers** — they control the payment architecture that sets incentives

3% **Patients and consumers** — sustained public pressure is the only driving force

3% **Health systems and providers** — affordability starts at the point of care delivery

Source: Vitalic Health Affordability Survey, April-May 2026
*Numbers do not equal 100% due to rounding

Shared accountability for total cost of care will be critical to achieving healthcare affordability, two-thirds of leaders surveyed say.

Dennis Dahlen, CFO for Mayo Clinic in Rochester, Minnesota, believes collaborative efforts to tackle labor expense in healthcare are an excellent place to start.

"Unless we solve the labor dimension of how to provide care, I think affordability is a faint hope, because there's a minimum level you have to pay people to do the work," Dahlen said. "And then, if you can't create efficiencies or scale, there's a minimum number of people required to do the work.

"Labor is two-thirds of our cost in healthcare. It's hard to get around the human factor, the labor that's required to deliver care."

Just over one out of four survey respondents believe progress toward affordability of care is unlikely without major policy intervention. Twenty-seven percent say it will be up to the federal government to drive systemwide change, both through policy mandates and the ability to scale affordability initiatives.

Overcoming healthcare's sustainability crisis

Over the past two decades, U.S. healthcare has become relentlessly less affordable. Yet the money being poured into the healthcare system has not resulted in improved health or health outcomes.

In 2026, HFMA's Vitalic Health initiative — designed to advance affordability, financial sustainability and better outcomes in U.S. healthcare — found that breakdowns in affordability have left the healthcare industry in a state of "serious condition." Year over year, technology hasn't made significant strides in moving the needle on healthcare affordability at scale.

The state of affordability in U.S. healthcare frustrates consumers, who say the cost of care has impacted their life decisions. A Gallup poll found that breakdowns in healthcare affordability have prompted one out of 10 American adults to postpone retirement. In this environment, 18% have delayed pursuing another job due to the cost of healthcare, while 14% have postponed buying a new home and 6% have put off having or adopting a child.[d]

d. Maese, E., "One-third of Americans cut back to cover healthcare expenses," Gallup, March 12, 2026.

"We've really found a way to have the worst possible situation: spending all this money for very, very bad metrics in healthcare," said Anthony Chang, MD, MBA, MPH, chief intelligence and innovation officer for Children's Hospital of Orange County, who attended the Vitalic Health session at ViVE this past spring.

There's a deep-seated anger among patients and clinicians that stems from "a healthcare system that seems to allow a few individuals to make literally hundreds of millions of dollars at the expense of patients not getting good care," Chang said.

"I think it's much more profound than we think," he said. "It's been kind of silenced in a way, because they feel very helpless, but it's definitely gaining volume."

Frustrations around healthcare affordability reflect the "moral injury" many Americans feel when they cannot afford needed care or trust they are getting value for what they pay, Marcus Whitney, CHFP, co-founder and CEO of Jumpstart Health in Nashville and a ViVE panelist, responded.

"I think people are mad, and I think it can be bad if we don't take that seriously," Whitney said. "When I talk to patients and families, there's a lot of anger. They don't know what to do, but they definitely want to do something."

What's driving up healthcare costs? Half of Vitalic Health survey respondents point to misaligned incentives across payers, providers and employers. Nearly one in four blame administrative complexity and fragmented payer rules, while one in five say a fee-for-service payment model that rewards volume is a significant factor.

Lack of support for standardization, which increases inefficiency and leads to inconsistent quality of care and service, ultimately stands in the way of financial sustainability and affordability in healthcare, leaders say. So do factors such as short-term financial decision-making and fragmentation of care, which add unnecessary cost despite moves toward optimizing the nation's healthcare system.

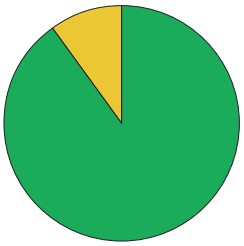
When asked who has the greatest practical control over healthcare spending, respondents were split: 30% said they believe no single actor has enough control to materially bend the cost curve, while 27% answered, "Government policy and regulation." One in five say controlling healthcare spending will come down to shared responsibility across all stakeholders.

Interestingly, a survey participant who works for a health plan responded that providers have the greatest practical control over healthcare spending through care decisions and utilization. Meanwhile, a former leader for a government-sponsored health plan stated that payers have the greatest practical control over healthcare spending through payment design and coverage rules.

When savings are achieved, the likelihood that consumers feel the impact is slim, according to survey respondents. In fact, 53% of respondents believe when healthcare saves money, the savings disappear into the system.

Sustainability concerns emerge

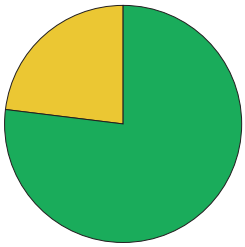
Q: Is the current U.S. healthcare system financially sustainable?



90% NO

10% YES

Q: Is the U.S. healthcare delivery model at, or within the next 3 years will it reach, an existential tipping point?



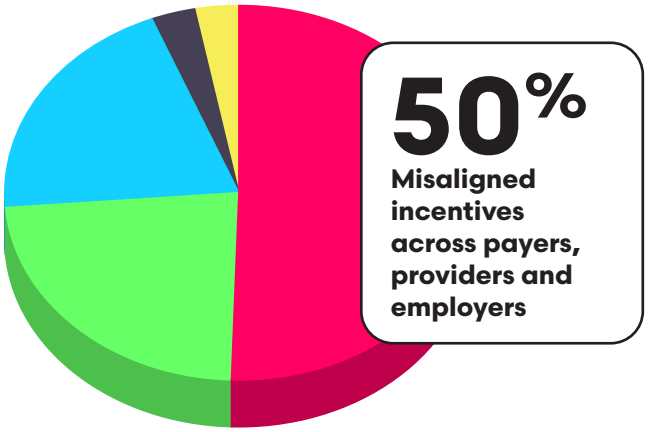
77% YES

23% NO

Source: Vitalic Health Affordability Survey, April-May 2026

Cost containment challenges abound

Q: Which factor of economic alignment most strongly drives cost upward today?



23% Administrative complexity and fragmented payment rules

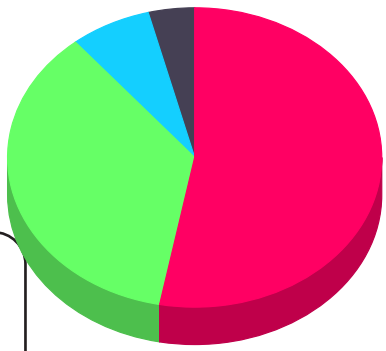
20% Fee-for-service payment rewarding volume

3% Market consolidation increasing pricing power

3% Consumer insulation from price signals

*Numbers do not equal 100% due to rounding.

Q: When healthcare saves money, who actually keeps it?



Source: Vitalic Health Affordability Survey, April-May 2026

Sixty percent of top experts surveyed believe AI holds the potential to "finally reduce costs in healthcare, not just shift or add to the issue." But skepticism came through in pockets. For example, when asked what issues leaders should be paying more attention to, one participant responded, "AI's impact on making the fee-for-service system more expensive, not less." Participants also view shared accountability — not more technology — as the path to affordability.

Moving the needle on healthcare affordability

How can the industry effectively achieve increased affordability of care?

Matt Cox, FHFMA, CPA, executive vice president and CFO for Corewell Health in Grand Rapids, Michigan, says change will result from organizations' ability to shift more care to lower-cost settings — even if revenue declines.

At Corewell Health, which operates its own health plan, "We're looking at ways to collaborate between care and coverage to make care more accessible, more affordable and just simpler for patients and members to access," Cox said.

This includes initiatives to help patients under full-risk arrangements keep their scheduled primary care appointments when life challenges arise — down to fixing a flat tire on a patient's car and providing last-minute transportation, when needed. It also means holding spots open in primary care clinics so that members with emerging health challenges can be seen quickly.

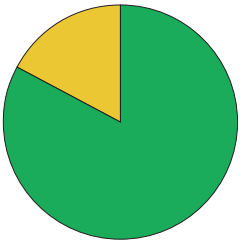
"We have to figure out a way as an industry to decrease the percentage of our GDP that is spent on healthcare," Cox said.

Looking ahead five years, what single change would most improve the financial sustainability of the healthcare system?

More than half of survey respondents (57%) believe the answer lies in shared accountability across the entire healthcare ecosystem. The next-highest responses: administrative simplification across the system and payment models that reward value rather than volume, both of which ranked at 17%.

Exploring barriers to sustainability

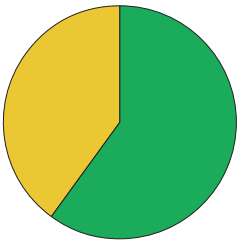
Q: Is the lack of support for standardization a greater barrier to sustainability than the complexity of care itself?



83% YES

17% NO

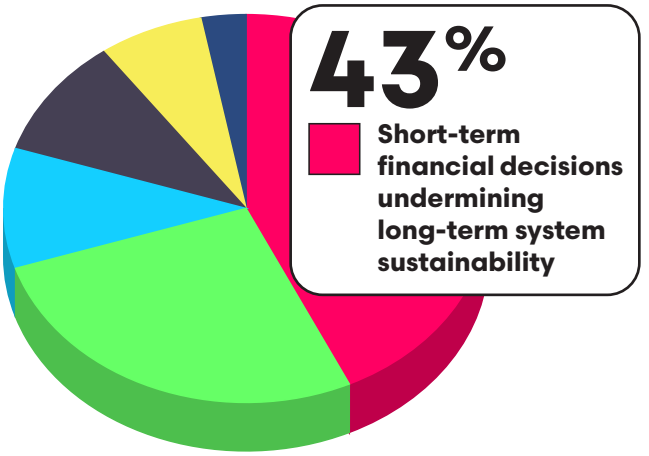
Q: AI will reduce costs in healthcare, not just shift or add to the issue.



60% YES

40% NO

Q: Where is the healthcare system optimizing itself while increasing costs elsewhere?



- **27%** Fragmented care delivery increasing utilization
- **10%** Payers managing utilization in ways that increase administrative costs
- **10%** Hospitals offsetting public payment shortfalls with commercial pricing
- **7%** Pharmaceutical pricing driving downstream spending
- **3%** Providers competing through duplicative capacity and technology

Source: Vitalic Health Affordability Survey, April-May 2026

If healthcare stakeholders were to achieve their shared goal of making care more affordable, survey respondents agree: This, too, will put financial pressure on healthcare leaders. Nearly two-thirds of respondents (63%) anticipate a push to share cost reductions across the system.

Determining how to measure success will require multistakeholder consensus. Among survey respondents, 40% believe no single metric can capture healthcare affordability.

Getting there from here

Solving healthcare's affordability challenge won't be easy, HFMA's Jordan acknowledges. But there's a growing appetite for collaboration to address tough challenges like this.

"There has been a greater acceptance and a greater awakening of what we can achieve, together, in the move toward healthcare affordability and sustainability," Jordan said. "This vision of what we could accomplish is inspiring. That's what keeps leaders going,

despite the fact that many would say what we are fighting is an impossible battle. I don't believe it's an impossible battle at all. I believe the goal of more affordable care for all is within reach — and healthcare leaders are hungry to drive change."

3 considerations for making healthcare more affordable

1 Commit to shared efforts to advance affordability — locally and nationally.

For example, as health plans in Michigan work to educate policymakers on ways that legislators could help make care and premiums more affordable, leaders for Henry Ford Health in Detroit are making the case for awareness and solutions at the local level. They are telling their affordability story to the community they serve while emphasizing the need for collaborative solutions across stakeholders, both in the state of Michigan and at the national level. They are also exploring solutions that reduce care costs for self-insured employers and their employees and dependents, such as by eliminating administrative friction and emphasizing preventive care.

"The goal here is to get people invested in solving the problems here in Michigan, and then if we can get people to work on that nationally, that would be great," said Damschroder of Henry Ford. "We're certainly not going to solve this as a one-state problem alone, unfortunately, because everything ties back to the government-based system, whether people like to acknowledge it or not."

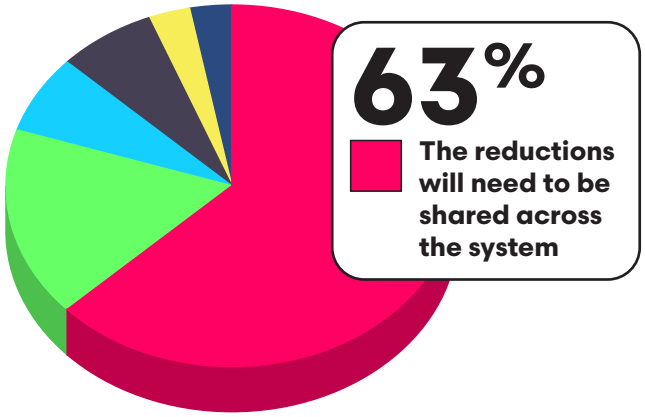
HFMA's Vitalic Health initiative seeks to advance collaborative solutions around healthcare affordability and sustainability with input and participation from all key stakeholders in healthcare. The focus of this initiative is on solve-based convening.

2 Look for quick wins that could move healthcare affordability from theory to practice.

Such an effort would help to build trust across stakeholders — including consumers and the government — that the industry is committed to affordability. This work could start by taking a no-holds-barred approach to eliminating waste from the healthcare system.

Anticipating impact

Q: If affordability improves meaningfully, where will the financial pressure most likely fall?



- 17% Hospital and health system margins
- 7% Pharmaceutical and life science revenue
- 7% Administrative and vendor sectors
- 3% Physician specialty income
- 3% Health insurer margins

Source: Vitalic Health Affordability Survey, April-May 2026

Consider that a major contributor to healthcare costs is administrative complexity: all the rules and processes that people in healthcare, as well as patients, must follow if care is to be delivered and covered by insurance. One study found that administrative complexity alone adds more than $265 billion in waste to the U.S. healthcare system every year.[e] Researchers

e. Shrank, W.H., Rogstad, T.L., and Parekh, N., "Waste in the U.S. healthcare system: Estimated costs and potential for savings," *JAMA*, Oct. 7, 2019.

No single stakeholder can lead the charge toward healthcare affordability alone, according to one-third of survey respondents.

are uncovering ways to eliminate waste that adds unnecessary costs to healthcare. Example: McKinsey & Co. list of about 30 interventions that could reduce waste by a quarter trillion dollars each year.[f]

One area ripe for intervention and cost savings: modernizing the healthcare claims process. That's an area where healthcare providers and health plans are exploring ways to drive change in 2026, led by Vitalic Health.

3 Initiate a shift in resources from "sick care" to preventive care.

"We're organized around fixing things instead of preventing things," said Dahlen of Mayo Clinic. "If you were whiteboarding this, I think you'd design it differently."

There's no denying that the U.S. healthcare system is built for treatment, and it's a large part of what drives healthcare cost. Experts believe the ability to shift resources toward chronic disease prevention is possible in an era of AI, where advanced analytics can predict chronic disease and even major health complications four to five years in advance. If technology were applied in this way, it could potentially decrease reliance on expensive acute care treatments in favor of evidence-based prevention and patient education.

"AI is one of those tools that can help us change the trajectory of spending in the United States, and we need to embrace it to help make care more affordable," said Cox of Corewell Health.

f. Sahni, N., Mishra, P., Carrus, B., and Cutler, D., "Administrative simplification: How to save a quarter-trillion dollars in US healthcare," McKinsey & Company, Oct. 20, 2021.

About the author

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Vitalic Health

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About Vitalic Health

Powered by the Healthcare Financial Management Association, Vitalic Health strives to advance affordability, financial sustainability and better health outcomes in U.S. healthcare. It facilitates solve-based convening among diverse industry stakeholders to address the complexities of lowering health expenditures and increasing health and lifespan to improve the vitality of communities across the U.S. Vitalic Health seeks to expand HFMA's longstanding mission of leading the financial management of healthcare by revolutionizing business practices and payment models.

The Healthcare Financial Management Association (HFMA) equips its more than 145,000 members nationwide to navigate a complex healthcare landscape. Finance professionals in the full range of work settings, including hospitals, health systems, physician practices and health plans, trust HFMA to provide the guidance and tools to help them lead their organizations, and the industry, forward. HFMA is a not-for-profit, nonpartisan organization that advances healthcare by collaborating with other key stakeholders to address industry challenges and providing guidance, education, practical tools and solutions, and thought leadership. We lead the financial management of healthcare.

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