



Specialty care buyer's guide for employers

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While specialty care impacts a small percentage of your workforce, it makes up for a large portion of employer healthcare costs — up to 50% on average. Despite this, most organizations don't have a dedicated specialty care strategy in place.

But the need for specialty care continues to rise. Musculoskeletal (MSK) conditions are the second top cost-driver on health plans, right behind cancer, according to The Business Group on Health's annual [Health Care Strategy Survey](#). A common solution, surgery, contributes to the massive costs of MSK care, though it's often [overprescribed](#).

In general, surgery makes up 20% of healthcare spend. Beyond MSK, [common surgical procedures](#), like appendectomies and biopsies, add up.

And don't forget about cancer and infusions, which make up about 30% of your healthcare spend. The amount of cancer cases diagnosed each year is consistently increasing, and affecting more subgroups of the population, including [people under the age of 50](#).

In 2022, there were [20 million new cancer cases diagnosed](#), and that number is expected to rise to 29.9 million by 2040. These patients often require access to high-cost infusion therapies. Beyond cancer, the [infusion market](#) also continues to grow.

It's time for benefits buyers to classify specialty care as a mega category and find solutions to address the associated costs.



There are many other solutions out there that have really worthy causes around improving the health and wellbeing of the American workforce, but there's a much longer duration to see the benefit. But specialty care is one that's immediate. There are tangible tools that can be deployed that have immediate financial benefits, and improve the experience and outcome for the member, too."

– **John Zutter**, Lantern CEO



What is Specialty Care?

Technically, specialty care is any healthcare delivered by a specialist. Within this guide, we're referring to the specialty care categories that drive the highest spend for employers and impact employees the most. Those categories are:

- **Surgery:** According to the IQVIA's Institute Report, [The Global Use of Medicines](#), surgical cases make up 20% of healthcare spending.
- **Cancer:** The same report shows 2% of your member base with active cancer diagnoses drives an additional 20% of total healthcare spend.
- **Infusions:** The U.S. spends more than \$110 billion annually on infusion care, according to a [Bourne Partners report](#). Infusions make up about 10% of employer healthcare spending.

Part 1: Top Cost Drivers

Surgery, Cancer and Infusion Therapy

Take a closer look at the top cost drivers on employer health spend categories:

Surgery

Surgeries make up 20% of healthcare spending—and not every dollar spent was necessary, efficient or led to better outcomes. In fact, as surgical costs rise, complication and avoidable surgery rates haven't moved.

Studies show U.S. physicians often overprescribe surgery. An [observational study of 544 patients](#) found that 60% received recommendations for unnecessary spine surgery. A similar study found [34% of knee replacement surgeries were deemed inappropriate](#).

"The choice of treatment is critical, and that decision may lead to surgery—but often, appropriate nonsurgical care can avoid surgeries," says Raymond Hwang, MD, Lantern's Associate Chief Medical Officer. "For example, we see a 30% surgical avoidance rate for orthopedic surgery within our Network of Excellence. Understanding how surgeons manage patients preoperatively is critical to evaluating their overall quality."

There's also a high risk of complications when it comes to surgery, which often requires revision surgeries or additional care. The national complication rate for surgeries averages between 8%–15%.

By individually vetting top surgeons, Lantern's network delivers a less than 1% complication rate.



We keep our associates and their family members with us for their whole career in most cases. Having effective and safe outcomes was really important to us, because that's what allows us to help bend the long-term cost curve — reducing complications, reducing readmittance and reducing repaired surgeries."

– **Ryan McCracken**,
Director, Benefits, at
Lantern client Edward Jones

Cancer

Cancer remains the top condition driving cost for employers, according to [The Business Group on Health's 2025 Health Care Strategy Survey](#). Cancer costs U.S. companies over [\\$200 billion](#) per year. Prescriptions used to treat cancer account for \$20 billion annually, with some drugs costing over a [million dollars](#) per year.

These costs are expected to increase, as cancer diagnoses go up and treatment options become more complex. Just in 2024, oncology drugs, including 11 new therapeutics, were approved for more than 50 indications, according to the [American Association for Cancer Research](#). The list includes the [first ever tumor-infiltrating lymphocyte \(TIL\) cell therapy, lifileucel](#), which is being used to treat melanoma.

Ensuring fast and proper treatment via treatment plan reviews, care navigation and accelerated care access are some of the best ways to reduce spend in this category.

The time it takes to receive a cancer diagnosis and begin treatment makes a big difference. One [study](#) found that people whose treatment for cancer is delayed by just one month have a 5% to 13% higher risk of mortality.

Lantern members can access faster appointments at local and national cancer centers, with an average wait time of less than 10 days.



Cancer does not discriminate, so cancer diagnoses and treatments have been up year over year. This upward trend has persisted for a decade or longer. Something more unique I noticed in my data was the breakthrough treatment. Cancer is a unique condition with unique treatment modalities. The patient doesn't just experience the initial diagnosis once. Treatment options aren't always straightforward. I needed a solution that understood that and was comprehensive."

– **Suzanne Usaj**,
Senior Director of Total Rewards, The Wonderful Company

Infusion Care

Currently, more than 3.2 million Americans receive infusion care. And as additional treatments are approved every year, the number will continue to grow.

For infusions, the site of care makes a big difference when it comes to dollars. When receiving infusion therapy in a hospital, costs are often **marked up 300%** above what the same treatment would cost in a different setting, such as an ambulatory infusions center or even in the comfort of their own home.

Through Lantern, employers can save upwards of 40% on infusion care for each member who can be treated outside of a hospital setting.

Infusion drugs are expensive. As we look at our cost of pharmaceuticals, that always rises to the top. We saw an opportunity through our Lantern partnership to pull some of those costs out of the hospital settings, where we know they're doing huge markups on these drugs, and have these infusions done either in special infusion centers or at home where patients are most comfortable. So that was an easy one for us to pull the trigger on and hopefully save some dollars and make for a better colleague experience."

– **Dawn Beaudin**,
Vice President, Benefits, Hyatt

Part 2: What Should a Specialty Care Strategy Include?

Employers can't afford not to have a specialty care strategy in place. When searching for solutions to help with healthcare's most expensive moments, evaluate the following.

Cost Containment

Consider how the solution will lower costs for your organization and its employees. Overall, employers and private health plans pay, on average, 254% of Medicare prices. Within a given market, surgery prices may vary by up to 313%. But specialty care solutions can negotiate better rates for in-network providers. For instance, Lantern negotiates prospective bundles that are 50% to 60% less than commercial carrier rates.

And knowing great care happens wherever great providers are, steerage away from prestigious hospitals, unless necessary, and toward ambulatory surgical centers or infusion clinics can greatly reduce costs. Lantern steers patients to a subset of facilities, which are willing to accept rates at 120% of Medicare.

"The traditional COE approach has been facility-based," Dr. Hwang says. "But buildings don't perform surgery; people do. Even at the best-known hospitals with the best reputations, you're going

to have top performers, and by definition, those who aren't top performers. At a more granular level, a top surgeon is not likely a top surgeon for every single surgery he or she performs.

Some surgeons are really superb at total knee replacements, but the skills that make a surgeon great at total knee replacements don't necessarily translate into, for example, total hip replacements," Dr. Hwang adds.

For cancer, one of the best ways to reduce costs and improve outcomes is through quick diagnosis and treatment. A solution that won't leave your patients anxiously waiting months to see an oncologist creates a much better member experience, improves care and helps reduce long-term costs.

Our accelerated access network includes groups of health systems where we can quickly get patients to appointments, both nationally and in the community. We have a point person who's clinical in nature and available as soon as we reach out. They respond to us within one day and guarantee we'll get that patient to their first appointment in two weeks or less."

– **Nicki MacManus**,
SVP, General Manager at Lantern



Study after study has demonstrated that there's a ton of variation in quality and outcomes within a given institution. It's more important to evaluate the who. Is there a rigorous evaluation at the individual surgeon level, and more specifically of that surgeon's performance for the procedure that we're talking about? At Lantern, we want to know the credentials and performance for every physician we contract with."

– **Jason Tibbels,**
Chief Medical Officer, Lantern

Quality

Cost doesn't equate with quality, making it possible to provide access to high-quality care that's affordable. While site of care reduces cost, it also often increases quality of care. For example, when used on the right patient, an ambulatory surgery center offers:

- **75% lower readmission rates than hospitals**
- **10x lower revision rates for total joint replacements, according to American Academy of Orthopedic Surgeons research**
- **6x lower infection rates** than hospital outpatient surgeries

For infusions in a hospital setting, there's a high nurse-to-patient ratio, which limits the ability to monitor patients. At an infusion center or at home, patients receive one-on-one clinical support.

Up to 40% of cancer care is improper and not consistent with guidelines. A cancer care solution should ensure that prescribed plans follow the latest published guidelines set by the National Comprehensive Cancer Network (NCCN), which has been shown to lower the total cost of care and improve outcomes.

Each Lantern member is paired with an Oncology Nurse Navigator, who will review a diagnosis or treatment plan with the member and help facilitate a second opinion, if appropriate.

Whereas most traditional centers of excellence are built at the facility level, **Lantern improves quality with a provider-first network.**



Support

Above all else, make sure any specialty care benefit you implement provides support to your employees. Being told you have cancer, need surgery or suffer from a chronic condition that requires infusion therapy is scary enough. Navigating the benefits related to such a diagnosis should be seamless and pain-free.

Support can be offered through:

- **Monetary stipend when travel for care is required**
- **Care Advocates who can schedule appointments**
- **Oncology nurse navigators who can review treatment plans and provide second opinion referrals**
- **Guidance and emotional support from dedicated nurses and Care Advocates**

We obviously evaluate cost savings in any situation, but it's not necessarily the priority here. The priority is providing the best care for our employees."

– **Laura Wallace,**
Director, Total Health, ArcBest

"Lantern helped me sort through the hurdles and frustrations of understanding my insurance and scheduling appointments with specialists. Because Emily, my Oncology Nurse Navigator, was able to get me into several specialists within two weeks instead of waiting months and months, I was quickly enrolled into a treatment plan that had me on a path to recovery."

– **Craig,**
Lantern member and cancer survivor

Part 3: Checklists and Resources

Learn more about what a specialty care platform is and how to evaluate specialty care solutions with the following guide and checklist.

What is a Specialty Care Platform?

A specialty care platform connects employees managing complex care needs with high-quality providers while optimizing costs for employers.

Feature	Traditional COE Program	Specialty Care Platform
Provider Selection	Facility-based	Individual provider-based
Care Navigation	Limited to guidance within health plan	Full service navigation across conditions
Cost Savings	Health plan-negotiated rates	Direct contracting + site-of-care shifts
Conditions Covered	Typically focused only on high-cost surgeries	All surgeries, cancer types and stages, infusion therapies and beyond



Checklist: What to Look for in a Specialty Care Solution

Use this checklist to compare specialty care vendors and ensure you choose a solution that balances cost savings, quality and employee experience.

☐ Network Quality & Provider Selection

- Is the network made up of high-performing providers who work in a variety of settings?
- What are the clinical criteria for selecting providers?
- What is the solution's average surgery avoidance rate?
- How does the vendor measure and report complication rates, readmissions and surgical appropriateness?

☐ Cost Savings & Financial Model

- Does the vendor provide hard-dollar savings (contracted rates, site-of-care shifts) vs. soft-dollar savings (utilization, avoided procedures)?
- How do negotiated rates compare to Medicare benchmarks?
- Does the vendor offer bundled pricing (covering surgeon, facility, anesthesia, etc.)?
- Are cost savings measured on a per-employee-per-month (PEPM) basis or total claims reduction?
- Is travel assistance included, and does it impact savings?

☐ Accessibility & Geographic Reach

- What percentage of employees can access care within driving distance?
- Does the vendor offer national and local care options?
- Are ambulatory surgery centers (ASCs) included to provide lower-cost alternatives?
- For infusion therapy, does the vendor support at-home infusion or infusion clinics?
- How does the solution integrate with telehealth or virtual consultations to expand access?
- What's the average wait time to see a provider?
- What implementation and onboarding support does the vendor provide?



Checklist: What to Look for in a Specialty Care Solution (cont.)

☐ Employee Experience & Engagement

- Does the vendor provide concierge-level care navigation?
- How is care navigation delivered (phone, app, dedicated Care Advocates, etc.)?
- How easy is it for employees to schedule appointments and receive support?
- Are there pre- and post-care support services (physical therapy, nutrition counseling, recovery planning, etc.)?
- What is the vendor's employee satisfaction rating (NPS, testimonials, survey data)?
- Are bilingual or culturally competent services available?

☐ Integration with Employer Benefits & Existing Vendors

- Can the solution integrate with existing health plans and third-party administrators?
- Does it work with point solutions (e.g., musculoskeletal care, second opinions, mental health support)?
- How does it coordinate with pharmacy benefits managers for specialty drug savings?
- Are data and reporting customizable for employer needs?
- What implementation and onboarding support does the vendor provide?

☐ Measuring Results & Vendor Performance

- How does the vendor track and report on:
 - Cost savings per procedure
 - Utilization rates
 - Employee satisfaction and outcomes
- Are performance guarantees (savings targets, quality benchmarks) included in the contract?
- How frequently does the vendor provide reporting and insights?
- Does the vendor offer predictive analytics to identify high-risk employees before they need specialty care?





Emerging Specialty Care Categories

Expect to see the following specialty care categories increasingly impact your employee population, drive higher healthcare costs and become more prevalent within company benefit offerings in the near future:

Substance use disorder treatment: More than [40 million people](#) in the U.S. suffer from substance use disorders. Addiction affects every aspect of someone's life, including their work. According to [survey data from Pelago](#), a substance use care platform for employers and health plans, more than half of U.S. workers believe employer support for these issues is essential, yet only 14% have access to related benefits. There's tremendous opportunity for employers to offer resources and support.

Cell and gene therapy: The first cell-related gene therapies (CGT) received FDA approval in 2017, and as of 2024, [38 cell and gene therapies have been approved by the FDA](#). Those numbers are expected to increase. These life-changing treatments come with a life-changing price tag, sometimes in the millions. Employers need to make a plan for how they'll address these claims.

For example, AT&T leverages a proactive patient identification model to determine whether a candidate is right for CGT. Every patient who has a claim with one of the identified conditions is run through an algorithm to understand if they are a good candidate for the therapy.

"They're [CGTs] super expensive, but also super impactful," [says Luke Prettol](#), Principal Benefits Strategy Consultant for AT&T. "It's really important we have a good strategy around this."



Why Lantern?

We're on a mission to provide the highest quality, most affordable and most supported specialty care, close to home.

6 million members

\$1+ billion saved | 25k good outcomes in 2024



ArcBest

KDSUPPLY

HYATT

JW

Lantern covers your most complex care needs

Surgery

All Plannable Procedures

Infusions

In-Home & Close to Home Infusion Centers

Cancer

Every Person, Type & Stage

85

member
NPS

Excellent Experience

Clinical expertise with complete support and coordination

<1%

complication
rate

Leading Outcomes

Most appropriate care by best-in-class specialists for trusted outcomes

5x+

more people
helped

Greater Access

Comprehensive coverage with more needs met and care close to home

4%

lower medical
spend

Proven Cost Reduction

Immediate savings for clients and members with the lowest rates



About Lantern

Lantern is the specialty care platform connecting people with the best care when they need it most. By curating a Network of Excellence comprised of the nation's top specialists for surgery, cancer care, infusions and more, Lantern delivers excellent care with significant cost savings to employers and their workforces. Lantern also pairs members with a dedicated care team, including Care Advocates and nurses, for the entirety of their care journey, helping them get back to good health, back to their families and back to work. With convenient access to specialists nationwide, Lantern means quality care is within driving distance for most. Lantern is trusted by the nation's largest employers to deliver care to more than 6 million members across the country.

Learn more about us at lanterncare.com.

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