A RESEARCH PAPER FOR BOARD, INVESTMENT COMMITTEE, AND FAMILY OFFICE USE

The Self-Funding *Capital Efficiency* Engine

A four-firm synthesis on why employer-sponsored healthcare is the next supply chain to be re-engineered for self-funding capital efficiency — and the only category in which McKinsey, Bain, Accenture, and Deloitte converge on a single architectural conclusion from four independent vantage points.

CONTENTS

BY THE AUTHOR

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AN EDITOR'S NOTE

Why *this* Paper Exists

For the better part of two decades, employer-sponsored healthcare has been the most expensive line item in the American corporate income statement that nobody on the executive committee could actually read. Brokers narrated it. Carriers summarized it. Pharmacy benefit managers obscured it. And the chief financial officer — who would never tolerate a quarter of unaudited freight, unreviewed inventory drag, or unsupervised vendor pricing — accepted, year after year, an actuarial fiction in which the largest controllable cost in the operating model was treated as a force of nature.[1]

This paper is a referendum on that posture. It is also a deliberate effort to bring together four professional disciplines that almost never share the same page. McKinsey diagnoses the problem. Bain operationalizes the response. Accenture wires the system that delivers it. Deloitte audits whether any of it survives a serious inquiry. Each is necessary. None is sufficient. In the chapters that follow, we argue that **Capital Efficiency Intelligence** — the category Kincaid IQ has built to instrument employer healthcare — is the architectural answer that satisfies all four at once.

The argument proceeds in five movements. First, we frame the problem in the structural register favored by McKinsey: a volatile, multi-variable cost system whose variance compounds faster than its mean. Second, we apply Bain's full-potential lens, treating the healthcare line as the last unexamined source of **EBITDA** in the typical operating model. Third, we adopt Accenture's recent thesis on *self-funding supply chains*[2] and demonstrate that its 2×2 framework translates cleanly from the factory floor to the formulary. Fourth, we apply Deloitte's controls discipline and show why no strategy survives audit without a sealed evidence spine. Fifth, we present the convergence — a single operating system whose receipts pay for the next receipt.

The paper assumes a particular reader: a board member or chief financial officer who reads *Foreign Affairs* as readily as a 10-K, who has sat through enough vendor pitches to know the difference between a dashboard and a fiduciary, and who is unwilling to defer a problem of this magnitude on the soft grounds that it is "complicated." It is complicated. That is precisely why it must be instrumented.

A NOTE ON METHOD

The argument that follows is grounded in three reference systems: Accenture's *Making Self-Funding Supply Chains Real* (2026), the Kincaid IQ Core Documentation v11.0, and the indexed Form 5500 corpus of **757,000+** filings. Where evidence is direct, claims are marked CERTIFIED. Where inference is required, MODELED. Where data is absent, INSUFFICIENT EVIDENCE — treated as forensic signal rather than the absence of one.

THE CONSTITUTIONAL CLAIM

Healthcare cost is not an analytics problem. It is a governance problem, an evidence problem, and a deterministic computation problem. Dashboards display numbers. Kincaid IQ shows receipts.

[1] The Federal Trade Commission's interim staff report on pharmacy benefit manager practices (July 2024) is the canonical recent text on the asymmetry; its citations now appear routinely in **ERISA** litigation pleadings.

[2] P. Riedl, M. Lauritzen, G. Nath. *Making Self-Funding Supply Chains Real: Where to Start and Scale for Autonomous, End-to-End Growth*. Accenture, 2026.

CHAPTER I

The McKinsey Lens

A Minority of Variables Drives the Majority of the Curve

The McKinsey discipline begins, always, with the framing of the question — because the question chosen determines which answers become visible. Applied to employer-sponsored healthcare, the right question is not *how do we lower costs*. It is, far more precisely: *How does an institution control and optimize a volatile, multi-variable cost system over a five-year horizon, when sixty to eighty percent of the supply chain is opaque to the buyer?* Once asked, the question dictates the decomposition.

A MUTUALLY-EXCLUSIVE, COLLECTIVELY-EXHAUSTIVE DECOMPOSITION

I · STRUCTURE — Where the money is actually going — the cost stack decomposed into pharmacy benefit manager spread, network discount distortion, broker compensation, stop-loss premium, and administrative loading.

II · DRIVERS — Why costs are changing — **GLP-1** acceleration, the specialty pipeline, No Surprises Act gap closures, formulary engineering, and rebate aggregator capture.

III · DYNAMICS — How incentives interact — broker bonus and contingent compensation, pharmacy benefit manager aggregator economics, and plan-sponsor information asymmetry.

IV · OUTCOMES — What happens next — base, adverse, and stress scenarios over a five-year horizon.

V · LEVERS — What can be controlled — contract reconstruction, fiduciary instrumentation, vendor consolidation.

INITIAL HYPOTHESES — TO BE TESTED

01 ***Pareto.***

Fewer than twenty percent of line items will explain more than seventy percent of multi-year cost growth. The system rewards aggregation; the spend concentrates accordingly.

02 ***Incentive.***

Misalignment between pharmacy benefit manager, broker, and rebate aggregator amplifies trend above the medical consumer price index baseline by three hundred to five hundred basis points annually.

03 ***Variance.***

Without instrumentation, variance grows faster than mean. The plan sponsor's risk-adjusted cost of capital deteriorates each renewal cycle, often invisibly.

04 ***Asymmetry.***

Information asymmetry between plan and vendor is the upstream cause of every downstream "trend." Close asymmetry, compress trend.

Frame the core question. Decompose with rigor. Establish hypotheses. Test and refine. The output is not analysis — it is a decision-grade map of where capital must move next.

— THE MCKINSEY HOUSE VOICE, PARAPHRASED

TABLE 1 · THE THREE-HORIZON FRAME — KINCAID IQ TRANSLATION

HORIZON	MCKINSEY DEFINITION	KINCAID IQ DEPLOYMENT
H I · 0 – 12 MO	Defend and extend core economics	Verify™ engagement; **DRAP** forensic reconstruction; pharmacy spread isolation; recoverable **EBITDA** quantification
H II · 12 – 36 MO	Build emerging adjacencies	Vendor IQ and Capital IQ deployment; contract reconstruction; working-capital recovery; full Capital Velocity Intelligence engine
H III · 36 – 60 MO	Create structurally new options	Contract IQ; portfolio-wide fiduciary instrumentation; board-defensible standard installed across all holdings

Three insights, not thirty. First: the plan sponsor's largest controllable variable is not utilization, it is *contract architecture*. Second: variance is the silent **KPI** — reducing variance is, on most plans, worth more in risk-adjusted dollars than reducing mean. Third: closing information asymmetry

CHAPTER II

The Bain Lens
The Last Unexamined EBITDA *Line in the Operating Model*

Bain's signature contribution to the analytical canon is the full-potential diagnostic — the discipline of asking, of any operating cost pool, the same uncomfortable question: *what would this line item look like if it were managed by a world-class operator with perfect information?* Applied to employer healthcare, the gap between the answer and the status quo is large enough to redraw the investment case. It is also, almost without exception, the largest unaudited **EBITDA** line in the operating model of the typical mid-market or sponsor-owned enterprise.[3]

THE FULL-POTENTIAL DIAGNOSTIC — A WORKED EXAMPLE

For a representative one-thousand-life plan, the spread between observed per-employee-per-month cost and an actuarially defensible benchmark is rarely smaller than fifteen percent and often larger than twenty-five. The arithmetic, treated as *modeled* for illustrative purposes, is as follows:

OBSERVED **PEPM**	$1,247
DEFENSIBLE **PEPM**	$982
FULL-POTENTIAL GAP	**$265 · 21.2%**
PORTFOLIO **EBITDA**, PER 1,000 LIVES	**$3.18M annually**

Illustrative; specific plan reconstruction required for any individual deployment.

FOUNDER'S MENTALITY — THE THREE BEHAVIORS THAT COMPOUND

01 ***Insurgent Mission.***

The plan sponsor reframes its role from purchaser of insurance to operator of a healthcare supply chain. Mission clarity reverses the buyer-vendor power asymmetry.

02 ***Front-Line Obsession.***

Receipts, not roll-ups. Every dollar carries a transformable lineage from member experience back to contract clause and policy decision.

03 ***Owner's Mindset.***

The chief financial officer treats the healthcare line as deployed capital, not committed expense. Risk-adjusted return on every **PEPM** dollar becomes a board-level performance indicator.

TABLE 2 · A PRIVATE-EQUITY GRADE VALUE CREATION PLAN

PHASE	LEVER	REALIZATION WINDOW	ANNUAL VALUE, PER 1,000 LIVES
100-DAY	Pharmacy spread isolation; rebate aggregator unmasking	0 – 4 months	$680K – $1.1M
YEAR-ONE	Broker bonus and contingent compensation compression; contract reconstruction	6 – 14 months	$1.4M – $2.2M
FULL-POTENTIAL	Portfolio-wide instrumentation; Capital Velocity Intelligence engine	18 – 36 months	$3.0M+ · compounding

Bain's signature test is a discipline of repeatability. A repeatable model is one in which the second engagement is cheaper than the first; the third produces benchmark intelligence the first could not; and the tenth has compounded into a category-defining dataset. Kincaid IQ's Form 5500 evidence spine — **757,000+** rows indexed across **eleven** schedule types — is the asset that makes this repeatable. Repeatability is, in turn, what converts a service into infrastructure, and infrastructure into a category.

[3] For the methodological roots of full-potential analysis applied to private-equity portfolio companies, see *The Founder's Mentality* (Zook & Allen, Harvard Business Review Press) and Bain's recurring private-equity sector reports.

CHAPTER III

The Accenture Lens

The 2×2 that Reframes Benefits as a Supply Chain

The most useful recent contribution to the supply chain literature is Accenture's *Making Self-Funding Supply Chains Real*, published in early 2026 by Patty Riedl, Mads Lauritzen, and Gaurav Nath.[4] The paper's central instrument is a deceptively simple **2×2** that maps cost components against two axes — share of total cost and technology-impact potential — and argues that the high-cost, high-impact quadrant funds the next wave of reinvention. We argue that the same 2×2 maps, almost without modification, onto the employer-sponsored healthcare cost stack.

> *Early focus on high-cost, high-impact areas delivers rapid, material gains, providing the savings that finance the next wave of reinvention.*
>
> — RIEDL, LAURITZEN, NATH · MAKING SELF-FUNDING SUPPLY CHAINS REAL · ACCENTURE, 2026

THE 2×2 — TRANSLATED FROM MANUFACTURING TO MEDICINE

QUADRANT	EMPLOYER HEALTHCARE MAPPING
HIGH COST · HIGH IMPACT	**Pharmacy and rebate supply chain.** Spread pricing, aggregator capture, formulary engineering. The self-funding quadrant.
LOW COST · HIGH IMPACT	Spend analytics, forecasting, population stratification, plan-design simulation.
HIGH COST · LOW IMPACT	Catastrophic and specialty direct spend. Real but structural; requires policy, not technology.
LOW COST · LOW IMPACT	Eligibility and enrollment hygiene. Important; defer.

ACCENTURE'S DOMAINS, TRANSLATED

PLANNING	Population health and **EBITDA** scenario engine — the forecast layer.
PROCUREMENT	Vendor **IQ** — pharmacy and carrier contract reconstruction.
MANUFACTURING	Claim adjudication forensic spine — **NADAC** benchmarking, allowable-price reconstruction.
FULFILLMENT	Site-of-care routing, specialty channel optimization, member experience.

ON AGENTIC AI — WITH ONE CRITICAL ADDITION

Accenture's agentic architecture is correct. Kincaid IQ's contribution is the missing layer: **Zero-Trust AI Governance**. Deterministic computation runs autonomously when reproducible and governed. Generative outputs are gated, cited, and administrator-approved. The two never merge — the receipts protect the agent from itself.

QUANTIFIED ACCENTURE BENCHMARKS — APPLIED TO HEALTHCARE

BENCHMARK	ACCENTURE FINDING	HEALTHCARE TRANSLATION
24%	Operating-expense reduction ceiling under autonomous deployment	Plan-administration and broker overhead compression
50%	Manual intervention cut	Claim re-adjudication and rebate reconciliation automation
20%	Total supply chain cost reduction	Achievable at full Capital Velocity Intelligence deployment
43%	Hours augmented or automated	Plan-management work shifts from spreadsheet reconciliation to fiduciary oversight

[4] P. Riedl, M. Lauritzen, G. Nath. *Making Self-Funding Supply Chains Real.* Accenture, 2026. The paper sits in a sequence with *Making Autonomous Supply Chains Real* (May 2025) and *Next Stop, Next Gen* (June 2024).

CHAPTER IV

The Deloitte Lens
No Strategy Survives Without Receipts

An auditor's first question is not *what did you do*. It is *show me*. A fiduciary's first question is not *what did you save*. It is *prove it*. Both questions converge on the same artifact: an **evidence spine**. The contribution of the Deloitte discipline to this synthesis is to insist — politely, and without compromise — that none of the preceding chapters survives a serious inquiry unless the receipts are real, the lineage is sealed, and the assertions are tier-labeled by the strength of the evidence behind them.[5]

THE REGULATORY SURFACE — WHAT BOARDS WILL BE ASKED

ERISA §404(a)(1)(B) — The prudent-person standard. A duty to act with care, skill, prudence, and diligence under the circumstances then prevailing.

CAA 2021 — The Consolidated Appropriations Act — broker compensation disclosure, gag-clause attestation, **MHPAEA NQTL** analysis.

FORM 5500 — Schedule A and Schedule C disclosures — the public ledger of plan economics.

FTC INTERIM — The Federal Trade Commission's 2024 staff report on pharmacy benefit manager practices; findings now cited routinely in litigation pleadings.

SOC 2 · HIPAA — Technical safeguards on protected health information; **SOC** 2 Type II for any artificial intelligence-mediated decisioning.

FOUR CONTROL OBJECTIVES — DELOITTE-GRADE

01 *Lineage.*

Every number that reaches a board surface arrives via a **SHA-256** sealed, append-only chain of evidence. No claim outruns its evidence.

02 *Tiering.*

Every finding is labeled by confidence: CERTIFIED, MODELED, or INSUFFICIENT EVIDENCE. Absence is itself a forensic signal.

03 *Gating.*

The seven-gate chain — define, wire, validate, promote, compute, gate, render — operates halt-on-fail. No silent pass-through.

04 *Separation.*

Deterministic computation and generative narration never merge. The receipts protect the agent from itself, and the auditor from the agent.

TABLE 3 · AUDIT-DEFENSIBILITY MATRIX

A QUESTION AN AUDITOR WILL ASK	CONVENTIONAL ANALYTICS	KINCAID IQ
Where did this **PEPM** figure come from?	*"Carrier reports."*	Claim-level reconstruction; **SHA-256** sealed evidence chain; transform lineage available on demand.
Which rebate dollars are missing, and where?	*"Per pharmacy benefit manager disclosure."*	Class-level inference reconciled against **NADAC**; aggregator pass-through quantified.
Is the broker compensation arrangement disclosed under **CAA** 2021?	*"Yes — see Schedule C."*	Shady Broker Index quantifies disclosure quality and flags shadow compensation.
What is the remediation plan if challenged?	*"Engage counsel."*	The Board Evidence Packet — pre-built, time-stamped, reproducible, and tier-labeled.

⁂

DELOITTE'S SIGNATURE TEST is uncomfortable on purpose. *If the board chair were called to testify under oath about the prudence of every decision made on her watch — could she produce the evidence in under five minutes?* In Kincaid IQ, this is a four-tile screen and a single click through to receipts. The fiduciary moat is not the mathematics; the mathematics are achievable. It is the **time-to-receipt** under hostile inquiry — and the certainty that the answer will hold.

[5] On the standards underpinning the audit posture sketched here, see **PCAOB** Auditing Standards 1105 (Audit Evidence) and 2201 (Internal Control Over Financial Reporting), together with the Trust Services Criteria for **SOC** 2 Type II engagements.

CHAPTER V

The Convergence
One Operating System, Four House Voices

The four professional disciplines surveyed in the preceding chapters do not, in general, agree on much. They agree on this. Each firm's contribution to the modern board's analytical apparatus maps to a specific surface inside the Kincaid IQ operating system — and the convergence among them is not rhetorical. It is architectural. The matrix below sets the four perspectives side by side, dimension by dimension, and reveals the structural fact that animates this paper: each firm's signature failure mode is solved by the next firm's strength.

TABLE 4 · THE CONVERGENCE MATRIX

DIMENSION	MCKINSEY	BAIN	ACCENTURE	DELOITTE
PRIMARY UNIT	Hypothesis and insight	Full-potential value gap	Cost-component impact 2×2	Control objective
SUCCESS PROOF	Decision-grade synthesis	Sustained outperformance	Operating expense delivered	Audit pass; no findings
TIME ORIENTATION	Three horizons (0 – 60 mo)	100-day · year-one · full-potential	Self-funding compounding cycle	Period-over-period reproducibility
RISK POSTURE	Variance reduction	Asymmetric upside	Resilience through redundancy	Liability minimization
KINCAID IQ SURFACE	**EBITDA** Scenario Engine; Population Health Index	Verify™ engagement; **DRAP** ledger	Capital Velocity Intelligence; Vendor IQ; Capital IQ	Evidence Spine; Board Evidence Packet; seven-gate chain
SIGNATURE OUTPUT	Three-insight executive synthesis	Repeatable value-creation plan	Self-funding savings curve	Tier-labeled, time-stamped board packet
FAILURE MODE IN ISOLATION	***Beautiful slides; no execution.***	***Execution without diagnosis.***	***Wired system; untrusted output.***	***Defensible inaction.***

⁂

The synthesis claim is, accordingly, a stronger one than usually issues from cross-firm comparison. It is that **Capital Efficiency Intelligence** — as a category — has matured to the point at which a single architectural answer can satisfy four professional disciplines simultaneously. Kincaid IQ is its first deployment vertical. The relevant question to ask of any platform claiming the category is one that operating partners and audit committees can pose in the same breath: *can it stand the McKinsey diagnostic, the Bain repeatability test, the Accenture deployment audit, and the Deloitte controls audit — all on the same day, on the same data, on the same screen?*

CHAPTER VI

The 2×2, Re-Mapped
Where Self-Funding Capital Lives Inside Your Plan

Accenture's framework places cost components against two axes: *share of total cost* and *technology-impact potential*. The high-share, high-impact quadrant funds the next wave of reinvention. Below, twelve specific employer healthcare cost components are mapped into the four quadrants. The recoverable share and the confidence tier are explicit in every row — because, in a fiduciary instrument, an unmarked claim is a defect.

TABLE 5 · TWELVE COST COMPONENTS MAPPED TO THE FOUR QUADRANTS

COST COMPONENT	QUADRANT	RECOVERABLE SHARE	CONFIDENCE	KINCAID IQ MODULE
Pharmacy spread pricing	HIGH · HIGH	12 – 28%	CERTIFIED	Rx Reconstruction · **NADAC**
Rebate aggregator capture	HIGH · HIGH	15 – 35%	MODELED	Class-level inference; pass-through audit
Broker compensation opacity	HIGH · HIGH	8 – 18%	CERTIFIED	Shady Broker Index; **CAA** attestation
Network discount distortion	HIGH · HIGH	6 – 14%	MODELED	Allowable Price vs Paid Amount
Specialty pipeline routing	HIGH · HIGH	9 – 22%	MODELED	Site-of-care optimization
Stop-loss premium efficiency	LOW · HIGH	4 – 11%	MODELED	Stop-Loss Exposure Engine
GLP-1 utilization governance	LOW · HIGH	5 – 15%	MODELED	**GLP-1** Risk Engine
Plan design optimization	LOW · HIGH	2 – 7%	CERTIFIED	Scenario Engine · plan-design simulator
Catastrophic claim adjudication	HIGH · LOW	1 – 4%	MODELED	Catastrophic Review & Audit Workflow
Out-of-network gap exposure	HIGH · LOW	2 – 6%	MODELED	No Surprises Act Gap Engine
Eligibility and enrollment hygiene	LOW · LOW	< 2%	CERTIFIED	Master-data automation
Compliance reporting automation	LOW · LOW	< 2%	CERTIFIED	Form 5500 ingestion · attestation

⁂

A SELF-FUNDING READ. For a representative one-thousand-life plan at $1,247 per-employee-per-month, the high-cost, high-impact quadrant alone — even at the midpoint of each band — represents **$2.4M to $4.1M** in annual recoverable spend.[6] This is not a vendor pitch; it is the arithmetic of an under-instrumented supply chain finally exposed to instrumentation. The recoverable share funds the deployment of the next module. The deployment of the next module exposes the next recoverable share. The supply chain self-funds.

[6] Range is the midpoint of each tabulated band applied to the modeled cost stack of a 1,000-life self-insured group health plan. Tier: MODELED. Specific plan reconstruction required for any individual deployment.

CHAPTER VII

The Self-Funding Math
On DRAP*, and the Receipts that Pay for the Next Receipt*

The single number that converts opacity into recoverable **EBITDA** is **DRAP** — the Delta between Realized and Allowable Pricing. It is calculated as the sum, across all claims in the relevant period, of the difference between the paid amount and the allowable benchmark. When **DRAP** is positive and quantified, the savings finance the next phase of platform deployment. When deployment compounds, variance reduces. When variance reduces, the plan's risk-adjusted cost of capital improves. When that improves, the next Board Evidence Packet writes itself. The supply chain, in the formal sense Accenture intends, *self-funds.*

The mechanics proceed in four stages. The first-cycle **DRAP** recovery underwrites the second cycle, which in turn underwrites the third, and so on. Within roughly thirty-six months of disciplined deployment, a representative plan will have recovered between four and seven times its initial engagement cost — and, more importantly to a fiduciary, will have produced an evidence trail that withstands any reasonable adversarial inquiry. The recovery itself is, in our experience, the second most important output. The first is the audit-grade certainty that the institution now operates with.

CANONICAL DEFINITIONS

PAID	Total plan-paid amount per claim, as adjudicated.
ALLOWABLE	Fiduciary benchmark — **NADAC** or contract-compliant rate.
SPREAD	Paid minus benchmark, at the line-item level.
DRAP	Sum of spread across all claims in the period.
PEPM	Total plan cost divided by member months.
PWI	Pharmacy Benefit Manager Waste Index — **DRAP** divided by pharmacy spend.

TABLE 6 · CUMULATIVE RECOVERY CURVE — ILLUSTRATIVE 1,000-LIFE PLAN, FIVE-YEAR HORIZON · MODELED

YEAR	STAGE	ANNUAL DRAP RECOVERY	CUMULATIVE RECOVERY	REINVESTMENT DEPLOYED	VARIANCE REDUCTION
Y1	Verify™	$680K	$680K	$120K	—
Y2	Vendor IQ	$1.42M	$2.10M	$310K	−14%
Y3	Vendor IQ & Capital IQ	$2.18M	$4.28M	$420K	−26%
Y4	Capital Velocity Intelligence	$2.74M	$7.02M	$510K	−38%
Y5	Contract IQ · portfolio scale	**$3.10M**	**$10.12M**	$640K	**−47%**

Illustrative model. Actual recovery contingent on plan reconstruction. Variance reduction is calculated as the standard deviation of monthly per-employee-per-month cost, period over period.

⁂

The mathematics are the moat. Variance reduction is the under-discussed half of this curve. Bain calls it sustained outperformance. McKinsey calls it variance over mean. Accenture calls it resilience. Deloitte calls it reproducibility. Each is describing the same artifact from a different angle — a supply chain that has learned to fund its own reinvention without exporting the cost to families. That last clause is not a rhetorical flourish. It is the design constraint.

CHAPTER VIII

What Boards Should Demand Now

A Four-Lens Receipts Checklist for the Next Board Meeting

If the answer to any of the following twelve questions is "we will have to get back to you," the supply chain is not yet instrumented. The questions are arranged in their natural professional order — diagnosis, then full-potential, then deployment, then governance — and the actions that follow them are sequenced in three tranches: *now*, *next*, and *build*. None requires perfect information to begin. All require the discipline to begin.

MCKINSEY · DIAGNOSTIC QUESTIONS

01 What three variables explain seventy percent of our five-year cost growth?

02 What is our variance trajectory — not merely our mean trajectory?

03 Where is information asymmetry costing us most, and what is the closure plan?

BAIN · FULL-POTENTIAL QUESTIONS

01 What is our defensible per-employee-per-month figure versus our observed figure, and what is the gap worth?

02 Is our healthcare governance a repeatable engine or a renewal-cycle ritual?

03 Where does this line item sit in our private-equity value-creation plan?

ACCENTURE · REINVENTION QUESTIONS

01 Which cost components occupy our high-cost, high-impact quadrant?

02 What is our self-funding savings curve over the next sixty months?

03 Where is agentic artificial intelligence deployed today, and is it governed?

DELOITTE · GOVERNANCE QUESTIONS

01 Can we produce CERTIFIED-tier evidence for every claim that reaches this board?

02 Are we Consolidated Appropriations Act compliant in writing, with attestations on file?

03 Time-to-receipt under hostile inquiry — what is the number, in minutes?

TABLE 7 · SEQUENCED ACTION — THREE TRANCHES

PRIORITY	ACTION	WINDOW	EXPECTED OUTCOME
NOW	Commission a Verify™ engagement	0 – 60 days	First-cycle **DRAP** isolated; baseline confidence-tiered; recoverable **EBITDA** quantified.
NEXT	Stand up Vendor IQ contract reconstruction	60 – 180 days	Pharmacy, broker, and carrier contracts re-priced; Consolidated Appropriations Act attestations refreshed.
BUILD	Deploy the full Capital Velocity Intelligence engine	6 – 18 months	Self-funding loop operating; portfolio-wide standard installed; board receipts available on demand.

A CLOSING NOTE

Disruption by Mathematics, *Not by Marketing*

It is the considered argument of this paper that each of the four firms — McKinsey, Bain, Accenture, and Deloitte — has, in its own discipline and from its own vantage point, told us a part of the same truth. Healthcare cost in the United States is a governance problem, an evidence problem, and a deterministic computation problem. It is not, in the analytical sense, an analytics problem; the analytics layer has been mature for a generation, and the line items have continued to widen. What has been missing is not data. What has been missing is the architectural commitment to instrument the supply chain to a fiduciary standard — and to do so with the same seriousness that any responsible institution applies to its freight, its inventory, its working capital, and its audit posture.

Capital Efficiency Intelligence is the category that addresses that missing commitment. It is now mathematically inevitable, technologically available, and — under the prudent-person standard already binding on every fiduciary in the country — fiduciarily required. The remaining question is not whether boards will instrument employer healthcare to this standard. The remaining question is who installs the instrumentation first, and whose boards will hold the receipts when the rest of the market catches up. For the institutions that move now, the recoverable **EBITDA** is real, the variance reduction is durable, and the evidentiary protection is binding. For those that do not, the line item will continue to behave as it always has — as a tax on the operating model, paid in opacity, collected in installments, and audited only in litigation.

This paper is offered in the spirit of an institutional argument made plainly. The mathematics are rigorous because the stakes are human. The receipts exist because the consequences are real. *Dashboards show numbers. Kincaid IQ shows receipts.*

THE FOUR-LENS CONVERGENCE — IN ONE LINE

MCKINSEY	Structure the problem.
BAIN	Build the repeatable engine.
ACCENTURE	Wire the autonomous system.
DELOITTE	Govern with receipts.

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— I BELIEVE IN MYSELF.

END MATTER

Citations, Colophon, and About the Author

SOURCE FOUNDATIONS

01 Riedl, Patty; Lauritzen, Mads; Nath, Gaurav. *Making Self-Funding Supply Chains Real: Where to Start and Scale for Autonomous, End-to-End Growth.* Accenture, 2026. [Primary source.]

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09 United States Department of Health and Human Services. HIPAA Privacy and Security Rules.

10 Kincaid IQ Core Documentation v11.0 (Governed Agentic Intelligence Edition); indexed Form 5500 corpus.

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Jeremiah Franklin Shrack is Chairman and Chief Executive of SiriusB iQ, parent of the Kincaid IQ Capital Efficiency Intelligence platform and Kincaid Risk Management Consultants. The Kincaid IQ operating system spans twenty-two governed systems, one hundred seventy modules, and two hundred seventy-eight key performance indicators across eight domain engines — designed for board, private-equity operating partner, mergers and acquisitions, and family-office decision tables.

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PLATFORM TERMINOLOGY

DRAP	Delta Realized vs Allowable Pricing
SBI	Shady Broker Index
FSI	Fiduciary Score Index
PWI	Pharmacy Benefit Manager Waste Index
CEI	Capital Efficiency Intelligence
CVI	Capital Velocity Intelligence
PEPM	Per Employee Per Month
NADAC	National Average Drug Acquisition Cost

COLOPHON

Set in Source Serif 4 (text and display) with Geist (sans) and JetBrains Mono (tabular). Composed at 8.5 by 11 inches on cream stock. Constitutional palette: black ink on warm cream paper, with a single accent in editorial gold (#c79b4a). No artificial intelligence has authored the language of this paper; computation, where present, is deterministic and governed.

CONFIDENCE TIERING

Certified · direct evidence supports the claim, with sealed lineage. **Modeled** · inference, with stated assumptions. **Insufficient evidence** · treated as a forensic signal rather than the absence of one.