Can Healthcare Brokers/Advisors Help Improve Our Healthcare System?

Written By Laura Carabello

When the doctor asks the patient, “Where does it hurt?” and the ailing patient responds, “It hurts everywhere,” this dialogue could describe a consultation between benefit brokers and self-insured employers regarding pain points for healthcare costs and plan coverage.

As the U.S. healthcare system faces a convergence of financial, workforce and policy pressures that have created widespread strain on patients, providers and insurers, benefits brokers are helping employers to blunt the stinging impacts of rising expenditures that continue to outpace wages and inflation. Many of today’s brokers are responding proactively to these stressors, delivering guidance and solutions that balance cost, compliance and member experience as well as relieving administrative burdens.

In this environment, and increasing number of healthcare benefits, brokers have evolved from simple "plan shoppers" into strategic consultants who use data, technology and alternative funding models to address the issues. Affordability and cost reduction have captured center stage as a priority for 54% of employers, documented by the 2026 Lockton National Benefits Survey that finds employers are turning to brokers to cast a wider net to find answers.

“Good brokers are worth their weight in gold,” shares Christine Cooper, CEO, aequum LLC, who was recently appointed to the Self-Insurance Institute of America's Board of Directors. “They play an integral role in employer and member satisfaction and are a key factor in a successful relationship between the employer, TPA, and other vendors. Serving as the connection between all parties, a skilled broker brings clarity to complexity: translating plan design, benefits options, and administrative processes into language that employers and members can act on. When a broker is engaged, informed, and advocating effectively, the entire benefits ecosystem runs more smoothly and predictably.”

Christine Cooper

Brokers typically sell insurance products and are compensated by insurer commissions, which limits their ability to act as fully independent advisors, argues George Stiles, President and COO, Planned Administrators, Inc.: "While many brokers assist with enrollment logistics and basic advocacy, their incentives are not aligned to systematically reduce costs or redesign benefits; their goal is to get the lowest cost administrative rate without considering what is driving plan cost and what can be done to bend the curve."

He explains that consultants, by contrast, are paid directly by employers through flat or PEPM fees and can be part of the solution when aligned with client goals, noting, "Our organization works with firms who are leveraging deep claims analysis to understand cost drivers, design customized benefits, negotiate effectively and provide true advocacy — demonstrating how aligned consultants can materially improve outcomes."

While many brokers find themselves in an enviable position with a full complement of clients, they are generating mixed messages from lawmakers.

James Gelfand

One large employer group, the ERISA Industry Committee (ERIC), is supporting a bill that could change how some pharmacy benefit managers pay employers' brokers, consultants and advisors. While calling for greater levels of trust, James Gelfand, CEO of ERIC, publicly complimented benefits brokers for providing an incredibly valuable service and bringing the expertise that employers simply don't have and can't afford to include in their benefits department.

Reinforcing the value of benefits brokers, Bruce D. Roffé, President and CEO, H.H.C. Group, explains, "Brokers can either maintain the status quo during annual renewals and by making incremental tweaks or act as system architects who redesign healthcare delivery and financing. Brokers aren't just intermediaries—they're the most underutilized force for fixing healthcare. By realigning incentives, demanding transparency and engineering high-value care ecosystems, brokers can turn a broken system into a performance-driven one."

Bruce Roffé

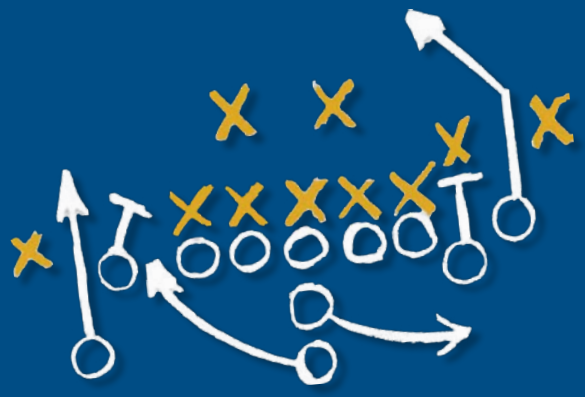
BENEFITS BROKERS, ADVISORS OR CONSULTANTS – WHAT'S THE DIFFERENCE?

There is a distinction between the three roles, although they all endeavor to serve plan sponsors and HR managers who are focused elsewhere without the time to become experts in insurance policies and employee benefits. For most employers, using an insurance consultant, advisor, or broker will save time and total costs compared to going it alone.

April Gill, CCO, Smart Data Solutions, imparts, "Brokers become true advisors when they move beyond market comparisons and apply operational intelligence to benefits strategy. Rising costs, fragmented workflows, and poor data visibility limit impact and make

BEYOND STRATEGY: BUILD YOUR PLAYBOOK

HCAA '26
TPA SUMMIT



Join TPAs, benefit advisors, and other top leaders this summer for real conversations on what's working, what's not and what's next in self funding. From regulatory pressure to operational performance, you'll walk away with practical insights you can put into action immediately.

No theory. No fluff. Just the people, ideas, and strategies shaping the future of self-funded healthcare.

REGISTER TODAY!

JULY 27 – 29, 2026
NASHVILLE
#HCAATPASUMMIT

TPA Summit Registration

RosettaFest Registration

RosettaFest

Extend your trip and stay for RosettaFest (July 29–31).
Use code HCAAROSETTA to save when registering for both events.


April Gill

this shift essential. With clean, connected, real-time data across claims, enrollment, eligibility and provider interactions, brokers can guide smarter plan design, resolve issues faster and identify cost control opportunities earlier."

From her perspective, open enrollment and member advocacy improve when underlying processes are automated and transparent.

"The future role of brokers is not transactional, but integrated, working alongside TPAs, payers and intelligent platforms to improve efficiency, strengthen employer control, and improve outcomes across the payer ecosystem," says Gill.

HEALTH BENEFITS BROKERS

A health benefits broker serves as an intermediary, matching clients with suitable insurance policies that meet their specific needs and budgetary constraints. Brokers are typically independent agents who focus primarily on selling, renewing and facilitating insurance plans, working with multiple insurance carriers and offering a wide array of options to their clients.

They often navigate the increasingly complex web of transparency requirements and federal regulations, ensuring the employer doesn't face stiff penalties for non-compliance. Since modern HR teams are often understaffed and overburdened, brokers act as a technical and regulatory safeguard for compliance management.

They are compensated through commissions paid by insurance companies for policies sold. This commission structure may vary depending on the insurer and the type of policy, but it is important to note that brokers do not receive direct payments from their clients.


Barbora P. Howell

Typically, brokers are motivated to secure policies that satisfy their clients while maximizing their own commissions. However, since they work on a commission basis, there may be a perception of bias towards policies that offer higher commissions, although ethical brokers prioritize client needs above all else.

Barbora Howell, CEO and Co-Founder, TrueClaim attests that brokers can truly act as advisors: "The best brokers absolutely can, but it depends entirely on how they're compensated and how transparent they are about it. A commission tied to a specific carrier creates a different conversation than a flat consulting fee."

She says the brokers driving real value today behave more like fiduciaries: "They benchmark rates aggressively, model alternative funding arrangements and bring data to the table rather than a pitch. Plan sponsors should ask their broker directly how they get paid and what they're doing year-round, not just at renewal. The answer tells you whether you have an advisor or a salesperson."

There is consensus across the industry, as Dani Kimlinger, PhD, MHA, SPHR, SHRM-SCP, CEO, Mines & Associates, says that brokers truly act as advisors.

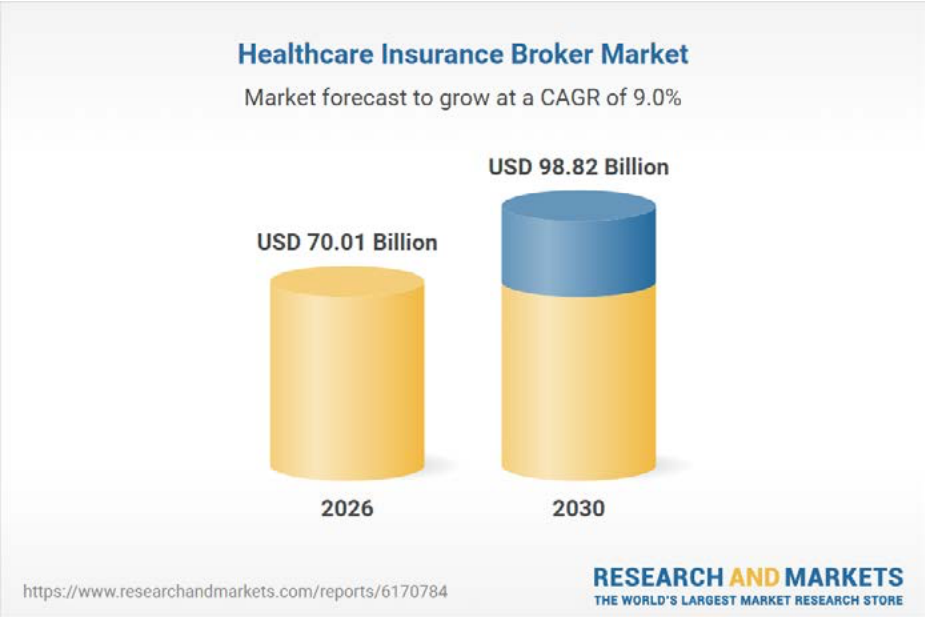
"This is where the broker role has never mattered more," says Kimlinger. "The most effective brokers today are exercising judgment, not just presenting options. Advisory work means helping employers filter signals from noise, make intentional

Dani Kimlinger

tradeoffs, and occasionally say, 'this sounds interesting, but may not be right for your workforce because of… xyz.' In a saturated market, discernment, not "shiny objects," can make the broker a truly impactful advisor."

Equally important, she points out that brokers hold a unique position of influence, adding, "They are often the only players who can credibly tell carriers and point solutions: if you want to be part of this ecosystem, you need to integrate and play well with others. We've seen brokers use that position thoughtfully and powerfully to raise the bar for collaboration."

The healthcare insurance broker market size has grown strongly in recent years. It will grow from $64.08 billion in 2025 to $70.01 billion in 2026 at a compound annual growth rate (CAGR) of 9.3%. The growth in the historic period can be attributed to increasing complexity of healthcare insurance products, growth in employer-sponsored health plans, rising consumer awareness of coverage options, expansion of private healthcare systems, and increased reliance on intermediary advisory services.



Major trends in the forecast period include increasing adoption of digital broker platforms, rising demand for personalized coverage advisory, growing integration of AI-based plan comparison tools, expansion of remote and online brokerage services and enhanced focus on regulatory compliance support.

HEALTH BENEFITS ADVISORS:

Health benefits advisors provide long-term, ongoing strategic partnerships and operate with a broader scope, providing consultation to employers regarding their healthcare benefits programs. Advisors often act more like an extension of the HR team with a focus on analyzing the unique needs and goals of their clients, devising comprehensive strategies to optimize healthcare benefits while controlling costs. Their primary goal is to deliver value to their clients by designing benefits programs that promote employee health and well-being while containing costs.

Generally, benefits advisors often charge fees for their services, which can be structured as flat fees, hourly rates or project-based fees. This fee-based model ensures transparency and aligns the advisor's incentives with the best interests of their clients, as they are not influenced by commissions from insurance companies.

You're with BHSI.

With **Employer Stop Loss Insurance** from BHSI, you can rest assured covered claims will be reimbursed quickly and accurately. Just as you'd expect from a trusted brand, with one of the industry's strongest balance sheets. BHSI has Employer Stop Loss executives with over 30 years of experience, all committed to doing the right thing for our customers – and doing it fast.

BHSI®

BERKSHIRE HATHAWAY SPECIALTY INSURANCE

bhspecialty.com/esl

HEALTH BENEFIT CONSULTANTS

While the terms 'consultants' and 'advisors' are often used interchangeably, there are subtle differences regarding their engagement style and focus. While advisors often focus on high-level strategy, benefits consultants tend to focus on short-term, specific projects, such as benchmarking or vendor selection. Sometimes, they emphasize technical analysis over continuous, strategic guidance. Consultants often work independently to provide analysis, while advisors act more like an extension of the HR team.

Historically, consultants worked for fees and brokers/advisors for commission, but this distinction has blurred, as both often use fee-based models now.

BROKERS SUPPORT ADOPTION OF OPTIMAL FUNDING MODELS

With traditional, fully insured premiums becoming unsustainable, brokers are increasingly recommending alternative funding models. They are paying close attention to rising healthcare costs as McKinsey projects employers will face a 9 to 10 percent increase through 2026 due to inflation and high-cost specialty drugs, like GLP-1s and emerging cell and gene therapies. In response, today's astute brokers are aggressively shifting employer clients toward self-funded, level-funded and alternative risk-pooling solutions and introducing other opportunities for greater cost containment.

COLD Rx MEDS

COST-CONTAINMENT | PBMS | BROKERS & TPAS

THE ONLY INTERNATIONAL SOURCE YOUR CFO CAN DEFEND.

Your GLP-1 and biologic costs have one real fix: *Canada.*

Sourced exclusively from licensed Canadian pharmacies — DIN-matched, pharmacist-verified, cold-chain certified. 30–70% below domestic cost. Same therapies. Zero disruption.

30–70%
DAY-1 SAVINGS
Not a rebate. Immediate cost reduction from the first fill.

$0
WORKFLOW CHANGE
Overlays your existing PBM or TPA program seamlessly.

100%
CANADA-SOURCED
Licensed Canadian pharmacies. Every order, every time.

DIN → NDC
MATCHED EQUIVALENCE
Every drug DIN-matched to U.S. NDC. Therapeutic equivalence guaranteed.

Day 1
SAVINGS BEGIN
No ramp-up. No rebate lag. Savings on first claim cycle.

Other vendors say *"Tier-1."* We say Canada — and we can prove the difference.
Canadian pharmacy standards equivalent to FDA rigor. Canada is the only market where regulatory parity, cold-chain infrastructure, and pharmacist oversight meet at the level your members deserve.

COST-CONTAINMENT PROGRAMS

Your fastest-growing cost has a proven answer.

GLP-1s and biologics are your #1 uncontrolled specialty spend. Cold RX Meds delivers 30–70% immediate savings with CFO-ready quarterly reporting — audit-ready, board-presentable, measurable from the first fill. Not a rebate. A permanent cost layer.

PBMS & TPAS

Zero disruption. Instant overlay. No rip-and-replace.

We plug directly into your existing formulary and plan design. Full cold-chain logistics, temperature-controlled shipping, and compliance documentation with every order. DIN-to-NDC matching ensures therapeutic equivalence on every specialty drug.

BROKERS & CONSULTANTS

The specialty tool your clients haven't seen yet.

Canadian sourcing is the only international option you can defend at the regulatory level — and prove to skeptical CFOs. Bring 30–70% savings to your next renewal conversation. Measurable ROI from day one.

REGULATION
Regulated Canadian pharmacies
DIN matched to every U.S. NDC.

LOGISTICS
Cold Chain End-to-End
Temp-controlled, pharmacy to member's door.

VERIFICATION
Pharmacist-Reviewed
Licensed Canadian pharmacist on every order.

COMPLIANCE
Audit-Ready Docs
Full documentation with every shipment.

BUILT FOR

- Benefits Brokers & Consultants
- Third-Party Administrators
- Pharmacy Benefit Managers
- Cost-Containment Programs
- Self-Insured Employers
- Confidential · No Commitment

FREE · CONFIDENTIAL

Get a Cost-Savings Review Today

coldrxmeds.com/solution-for-partners
Scan to schedule a confidential review.

coldrxmeds.com

"Strong brokers know the local provider landscape, network performance data and self-funding strategies far better than most HR teams ever could, and that knowledge genuinely moves the needle on premium and claims trends," emphasizes Howell. "That said, no broker can single-handedly solve a cost problem that's rooted in hospital consolidation, drug pricing and chronic disease. The honest ones will tell you that. Where they earn their keep is in custom plan design, steering employees to high-value care and pressure-testing carriers – not in promising they can outrun the underlying inflation."

SELF-INSURED PLANS

Brokers are stepping in to provide strategic guidance and data analytics, treating self-funding as a critical tool for budget control rather than a niche option. McKinsey advisors anticipate that self-insured membership will grow by 1% annually through 2029 and attest that more than half of fully insured employers surveyed said it was their broker who recently advised that they transition to a self-insured model.

The fast swing to self-insuring can deliver greater control, cost transparency and lower premiums, documented by a report by the Kaiser Family Foundation projecting self-insured plans will cover 75% of U.S. workers by the year 2030, with a significant uptake among large firms.

Brokers are working together with Third-Party Administrators (TPAs), showing preference for TPAs that enable smooth, transparent onboarding processes that allow for immediate tracking of plan performance.

Moving from transactional relationships to strategic affiliations that can integrate data systems in a shared unified data framework, these partnerships enable faster, more accurate decisions for plan sponsors. By adopting a partnership mindset and shared accountability, this level of collaboration reduces friction and leads to shared visibility into high-dollar claims with a focus on compliance with ERISA and Department of Labor audits.

LEVEL-FUNDED PLANS

Brokers increasingly introduce level-funded plans as the standard for mid-sized employers, as these plans provide the predictability of fully insured models with the cost-saving potential of self-funding. They are using real-time data on claims, pharmacy spending and high-cost conditions to justify the switch and create customized, more efficient plan designs. To mitigate any concerns of financial risk, brokers are securing stop-loss insurance policies to protect employers against high-cost claims.

ALTERNATIVE RISK-POOLING SOLUTIONS

As a strategic response to escalating healthcare costs, some brokers are aggressively recommending alternative risk-pooling solutions to small and midsize employers (SMBs), such as medical group captives and Individual Coverage Health Reimbursement Arrangements (ICHRAs). These solutions are designed to provide greater data transparency, cost control, and the potential to retain underwriting profit.

- ICHRAs are employer-funded, tax-advantaged health benefit plans, allowing businesses of all sizes to reimburse employees for individual insurance premiums and qualified medical expenses instead of offering traditional group insurance. These plans enable personalized coverage for employees while offering employers predictable, flexible and often lower costs.
- Medical group captives are a form of self-funded, member-owned insurance companies where a group of small to mid-sized employers join forces to share the risk and cost of their employee health insurance plans. Coming together, they create a captive insurance company to manage, fund and control their own medical stop-loss coverage.

Stop-Loss Carrier selection increasingly falls upon brokers who can evaluate a carrier's reputation, financial strength and alignment with an employer's long-term strategy. Most brokers favor carriers with a strong reputation for handling large claims, financial stability and responsiveness.

Here again, such brokers collaborate with TPAs and carriers to choose the best solution, as even well-designed stop-loss policies can fail if claims are delayed or information goes missing between parties. They bring greater understanding of how individual claims and aggregate overall plan spend align with the plan's deductible levels, cash flow, appetite for risk and approach to lasering.

NARROW AND TIERED NETWORKS

Narrow and tiered networks are not the same, though both endeavor to reduce healthcare costs by guiding patients to specific, cost-effective providers. Rising to the top of benefit broker recommendations is adoption of narrow networks as a primary strategy, utilizing more localized, high-value provider networks to achieve lower premiums and reduce out-of-pocket expenses.

A study reported in Health Economics shows there's evidence that narrow networks work. Perspectives on patient behavior and economic drivers contribute to this conclusion, as the selective nature of narrow networks allows insurers to negotiate lower prices, and the plan design steers patients to lower cost providers.

Tiered networks offer a broader network, but charge different amounts based on the provider's cost, quality, efficiency or other factors. They incentivize members to seek care from preferred providers and experience higher-quality care at a lower cost, although their choice is not limited if they are willing to pay higher cost sharing.

An analysis of tiered network plans in Massachusetts conducted by the Commonwealth Fund found the tiered networks were associated with a 5 percent decrease in spending — $43.36 less per member per quarter compared with per-member spending in similar plans not offering tiered networks.

REFERENCE-BASED PRICING (RBP)

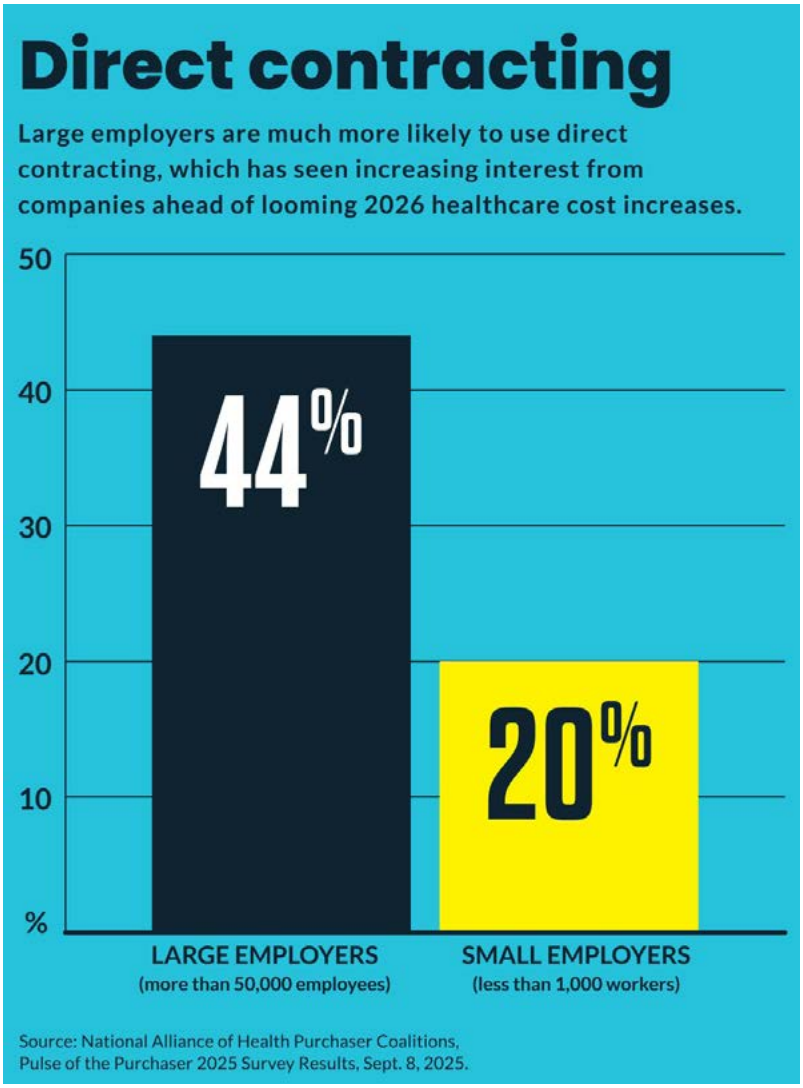
RBP uses an established benchmark, like Medicare, to determine what is paid for healthcare services. ELAP Services maintain that self-insured businesses can add an RBP solution to their health plan and reduce annual costs by up to 30%. RBP providers review and audit medical bills, reprice them based on Medicare or some other benchmark, like the actual cost reported by the hospital, and pay a fair markup on those charges.

DATA-DRIVEN TOOLS

Sophisticated brokers are partnering with companies that offer data-driven solutions and predictive models to identify trends or tap into analytics to uncover cost-saving opportunities. This allows employers to spot high-cost trends and intervene quickly by flagging employees who might be at risk of chronic conditions or at risk for catastrophic, expensive care.

DIRECT CONTRACTING

Brokers now negotiate directly with hospital systems and providers to bypass the middleman markups of traditional insurance carriers. This approach emphasizes high-value care, transparent data and improved employee access through centers of excellence, ACOs, on-site clinics and ambulatory surgery centers. The Healthcare Financial Management Association asserts that potential savings of direct contracting varies widely in type and amount between markets but ranged from 10% to 60% savings for employers.



REPAIRING THE COST CRISIS

Repairing the healthcare system in the United States is a complex multifaceted issue, as Joe Dore, President, USBenefits Insurance Services, states, "In my opinion, the best place to start to address cost mitigation is with the employer, because it's their pocketbook and they should be aware of the economics and the components that contribute to their healthcare costs."

While it's quick and easy to point to the provider, pharmacist and network as the problem, he believes there are risk management strategies that can mitigate these costs. Some things for the employer to consider:

- Take accountability for the execution of the strategic objectives and compliance with the Plan Document.
- Ensure that the broker, TPA, vendors and stop-loss carrier are in alignment with the preceding bullet point to deliver the best possible outcome.
- Understand how claims affect the premium, especially those exceeding the deductible.
- Require that all parties aggressively and relentlessly pursue the best outcome.

Joe Dore

"Often, providers hide behind network contracts, which 'supposedly' stipulate no audits are permitted," continues Dore. "Furthermore, it's common for vendor audits to pursue coding issues and duplicate charges."

He emphasizes that the healthcare industry has conditioned the payer not to cause friction, adding, "Therefore, the employer should demand deeper dives into their medical bills for erroneous charges, medically unnecessary services and matters that may be a conflict of interest among parties. I believe employers who are educated on this topic and are involved throughout the policy period will experience greater transparency and diligence from all parties for maximum performance."

When it comes to containing costs, Kimlinger notes, "We've seen incredible examples of brokers leading this work. In one case, a broker convened all of a client's service providers not to showcase products, but to deeply understand one another's roles. Providers then were asked to map integration opportunities together, then go home and deliver a shared strategy. There was resistance from some vendors, but the message was clear: if you want to stay on this team, collaboration and integration are not optional. This can turn into real cost and care strategy."

COST CONTAINMENT VS. COST MANAGEMENT

Roffé projects that the brokers who win going forward will embrace data, own outcomes and challenge carriers and legacy models.

"Brokers can support the development of integrated, value-based ecosystems, assuming a clear role as operator and problem solver for cost management – after the cost occurs, as well as advisor and strategist for cost containment before the claims occur," says Roffé. "If costs rise again when the program stops, it was never containment."

He justifies that repricing claims isn't enough, adding, "What brokers need to communicate is about true cost containment. Medical cost growth continues to outpace wages and inflation, putting pressure on employers, health plans, providers and members. Beneath the headline numbers are real tradeoffs—between access, outcomes and affordability—that don't have easy answers."

Despite the arrival of new solutions, healthcare costs keep rising, leaving employers to believe that nothing is working.

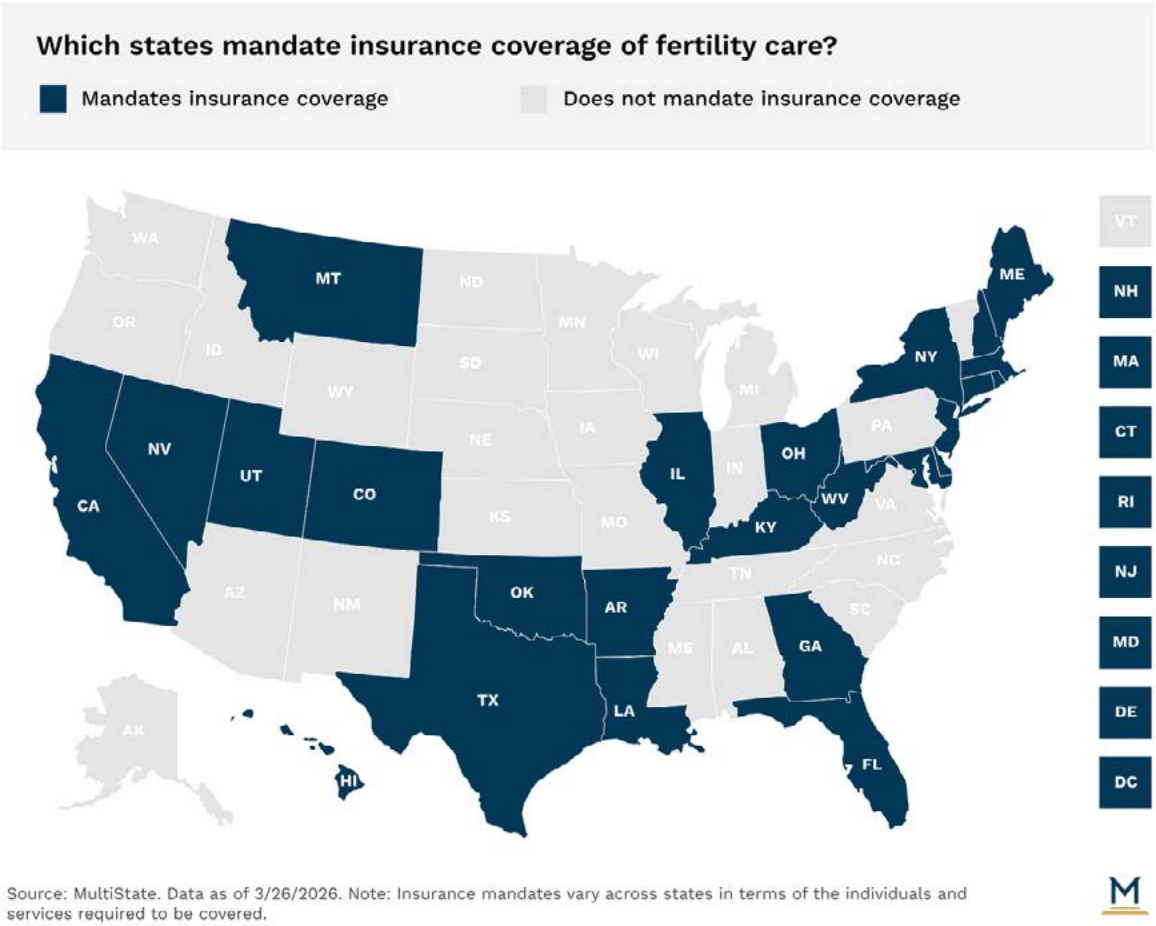
"Brokers are being asked harder questions," says Roffé. "This conversation matters because medical cost containment is no longer a carrier problem or an employer problem—it's a broker value proposition. In today's market, brokers aren't judged necessarily on plans—they're judged on whether costs are under control."

Roffé perceives that employers don't think brokers are failing — they just think the system is failing.

"Today, the opportunity for brokers and solutions providers is to explain it clearly… and fix the parts that aren't working, he notes. "The modern broker challenge is being expected to control healthcare costs in a system that resists control—while still proving measurable value every renewal. Brokers aren't being replaced by technology or carriers—they're being replaced by brokers who can explain, execute, and defend a cost strategy."

BROKERS OFFER INNOVATIVE, OFTEN UNCONVENTIONAL SOLUTIONS

Brokers are positioned to move the dial on helping employers enhance recruitment and retention efforts without inflating expenses. Curated, technology-enabled, and highly personalized benefits packages supported by data-driven strategies have wide appeal: McKinsey estimates that by 2030, approximately 12 million members could move to innovative products that offer 10% to 30% savings compared to traditional PPOs.



Source: MultiState. Data as of 3/26/2026. Note: Insurance mandates vary across states in terms of the individuals and services required to be covered.

There are also some alternative programs that have high perceived value, including expanded fertility benefits, enrollment support, caregiving support platforms or niche programs that help employees stay focused and productive during demanding life transitions.

Virtual-First has become a staple as telehealth or remote monitoring using a comprehensive ecosystem of digital tools and artificial intelligence (AI) extend care beyond the physical walls of a clinic or office setting. Employee engagement solution providers emphasize that a benefit is only valuable if employees understand the options and take advantage of the features. Static portals and generic plan comparisons simply fail to meet workforce expectations, and brokers gravitate toward recommending integrated and personalized solutions that reflect individual needs and preferences. The underpinning of AI-driven support is fast becoming essential, as the Annual Benefits Broker Report from Optavise estimates that 59% of brokers now use AI to improve employee decision-making and enrollment and 57% use AI to create personalized benefits education and communication.

Care Management Should Create Measurable Value.

Rising costs and fragmented care make it difficult to consistently improve member outcomes.

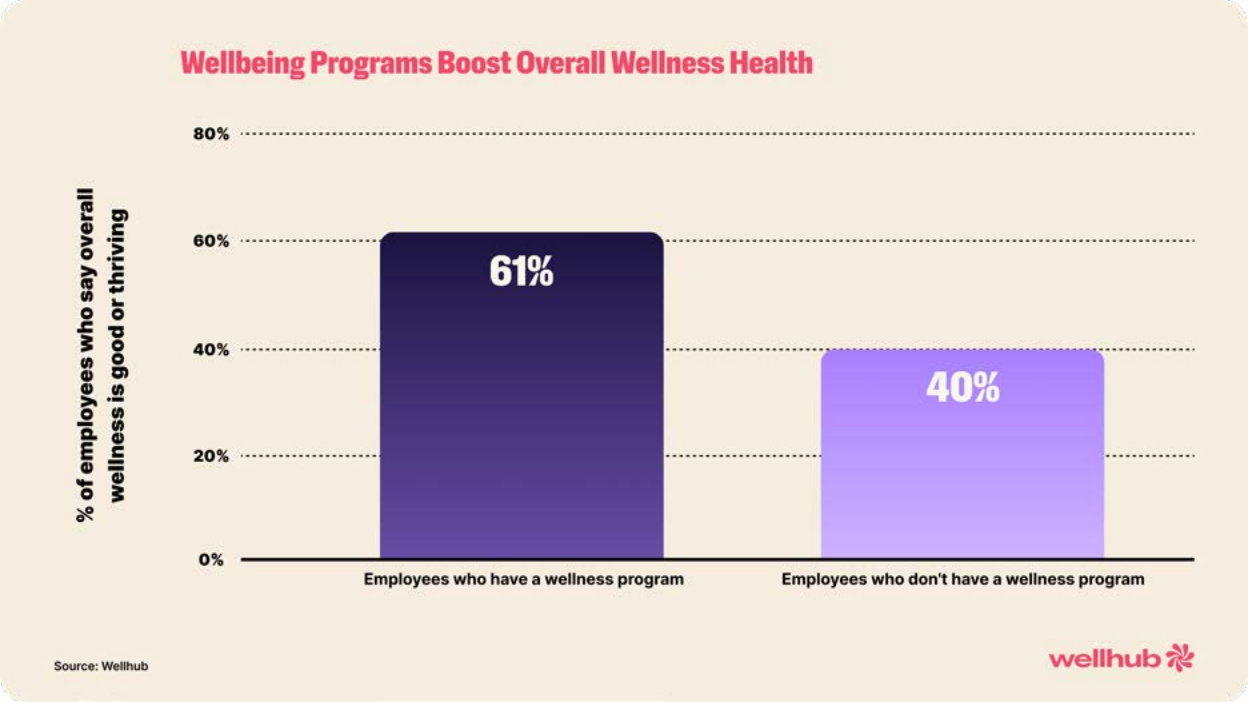
Valenz Clinical Engagement enhances Utilization, Case, and Disease Management strategies with earlier outreach and dedicated clinical support that improve engagement and lower total cost of care.

Enhance the impact of your care management strategy.

info@valenzhealth.com

valenzhealth.com

Valenz® HEALTH



Expanded fertility benefits are in great demand as employers look for new ways to attract and retain talent as well as enhance employees' mental health, performance and loyalty. Astute brokers are making fertility coverage an increasingly essential component of a competitive benefits package, as Maven Clinic's 2025 State of Women's and Family Health Benefits report shows two-thirds of employers plan to invest in family health benefits within the next three years, a 44% increase since 2024.

Reshaping Wellness is also commanding attention as benefits brokers redefine this category of solutions to shift from generic, one-size-fits-all programs toward practical, integrated tools that address mental health, financial stability and physical well-being.

McKinsey's Future of Wellness research shows Generation Z and Millennials place high value on holistic well-being, flexibility, and inclusiveness, and are seeking support to manage high levels of stress, burnout, anxiety and worry. Younger workers are more willing to invest in wellness products and services -- from recovery solutions and skin and hair care to nutrition support. They expect a personalized, science-based, and holistic approach that supports recovery and long-term well-being.

Employees are also prioritizing financial wellness as economic uncertainty and rising healthcare and living costs are contributing to workplace well-being. Brokers understand that their clients need expanded financial education and support through benefits that may include student loan repayment options, employee assistance programs and on-site workshops.

Lifestyle Spending Accounts (LSAs) have captured the interest of benefits brokers, offering an employer-funded reimbursement benefit for lifestyle expenses. Employees submit receipts for approved purchases and are reimbursed through payroll with the appropriate tax treatment. Employers define which categories are eligible -- wellness, food, learning or connectivity -- how much funding is available, who is eligible and when and how expenses should be treated for tax and payroll purposes. Categories span: All-Inclusive LSA, Cell and Internet, Charitable Giving, Commuter Expenses, Co-working, Culture, Experiences and Entertainment, Family and Caregiving, Food, Office Equipment, Out-of-State Care, Pets and more.

echo
payments simplified

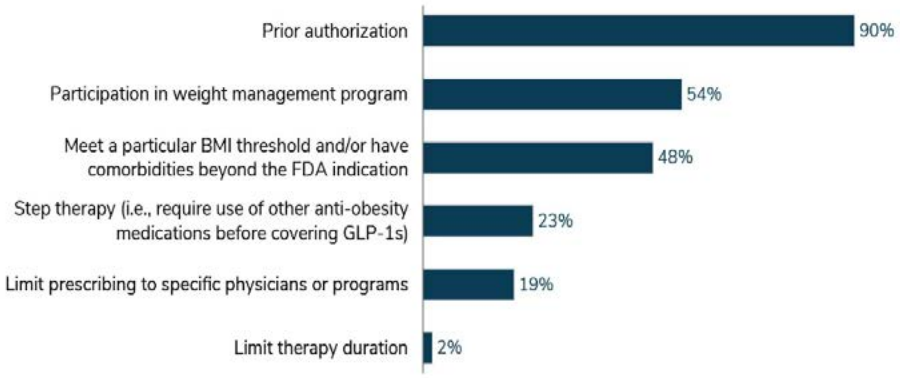
A payments partner you can count on.

Backed by 25+ years of expertise, ECHO simplifies claim payments with **seamless integrations** into existing systems, **industry-leading fraud prevention and security** that protects every transaction, and **no-cost electronic options for payments and reconciliations** that increase digital adoption.

Learn more at **echohealthinc.com**

Chronic Condition Management has become an overriding concern as employers turn to their brokers for structured programs that move beyond just covering drugs to promoting comprehensive, whole-person strategies. Given the meteoric uptake of GLP1s, brokers are urging clients to integrate high-cost GLP-1 medications within broader, evidence-based programs that combine medication with lifestyle, nutritional and behavioral support to manage both cost and health outcomes.

Requirements for GLP-1 Coverage for Obesity, 2025



Source: Business Group on Health

There's also emphasis on basic strategies to invest in early, evidence-based screening to identify health issues before they progress to complex diseases requiring expensive interventions and resulting in high-cost claims.

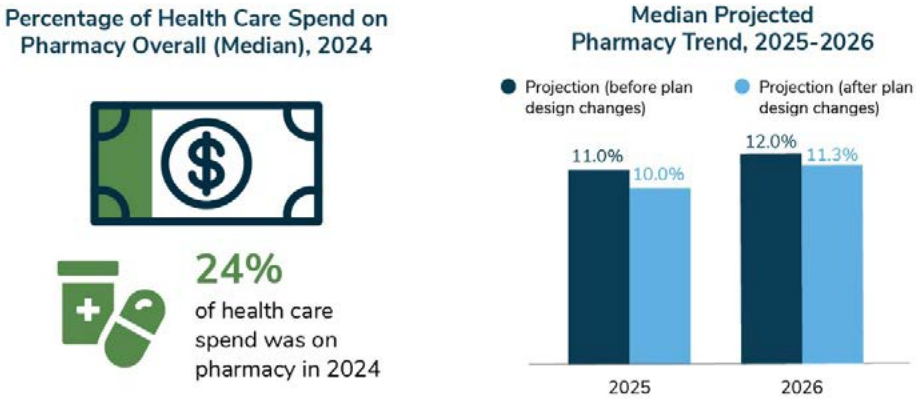
BROKERS FOCUS ON SMART RISK PHARMACY MANAGEMENT

As a health benefits line item, the surging financial risks of budget-shattering pharmacy costs have moved into first place, accounting for 24% to 30% of total employer healthcare costs (Insurica). As renewal season gets underway, employers call upon their brokers to recommend proactive steps that can effectively tackle these expenditures.

Aligning with government reforms to Pharmacy Benefit Management, brokers are advising clients to "unbundle" their pharmacy benefits from medical carriers, allowing employers to carve-out pharmacy management to alternative or transparent PBMs as opposed to the "Big 3" legacy PBMs.

Brokers are helping clients to bring their PBM contracts into compliance and provide full disclosure of compensation, rebates and fees as required by the new regulations of the Consolidated Appropriations Act of 2026 (CAA) and Department of Labor (DOL) proposed rules.

They are selecting PBMs that provide 100% rebate pass-through, eliminate spread pricing and use transparent, flat-fee models rather than percentage-based fees, utilizing advanced tools to identify cost drivers, monitor compliance and support the efforts of plan sponsors to fulfill their fiduciary responsibilities.



Source: Business Group on Health

Given that specialty medications account for over half of total pharmacy spend and now account for an estimated 80% of new drug approvals, brokers are separating specialty drugs from the general medical plan. They are working collaboratively to create custom pharmacy management or carve-outs for high-cost therapies, including GLP-1 weight management drugs, cell and gene therapies and oncology drugs. Brokers are also urging biosimilar adoption and persuading employers to implement 'biosimilar-first' formularies which can potentially deliver savings of 25% to 85% over expensive brand-name biologics.

Brokers are also responding to the newest phenomenon – Direct-to-Consumer drug purchasing, leveraging a growing number of manufacturer online platforms that bypass traditional retail pharmacies and PBM markups for specific high-cost drugs. As trusted advisors, brokers can guide employers regarding the financial impact of these programs on their health plans. When patients spend outside their health plans, drug manufacturer rebates are not generated, which can limit financial benefits to the plan and its participants.

Another concern is the proliferation of pharmacy deserts, prompting plan sponsors to turn to their brokers for suggesting alternatives like enhanced mail-order services, virtual pharmacy consultations and integrated wellness initiatives.

Some brokers are taking a more progressive approach to address high specialty drug costs, along with recommendations to integrate international sourcing of medications. This option remains complex and may expose plan sponsors to legal and compliance risks if not properly designed and administered. Findings of the new Lockton 2026 National Benefits Survey, however, indicate that 46% of self-funded plan sponsors say they would consider international drug sourcing for pharmacy benefits and 7% of respondents are already using international sourcing for pharmacy benefits.

TECHNOLOGY IS KEY TO DELIVERING VALUE

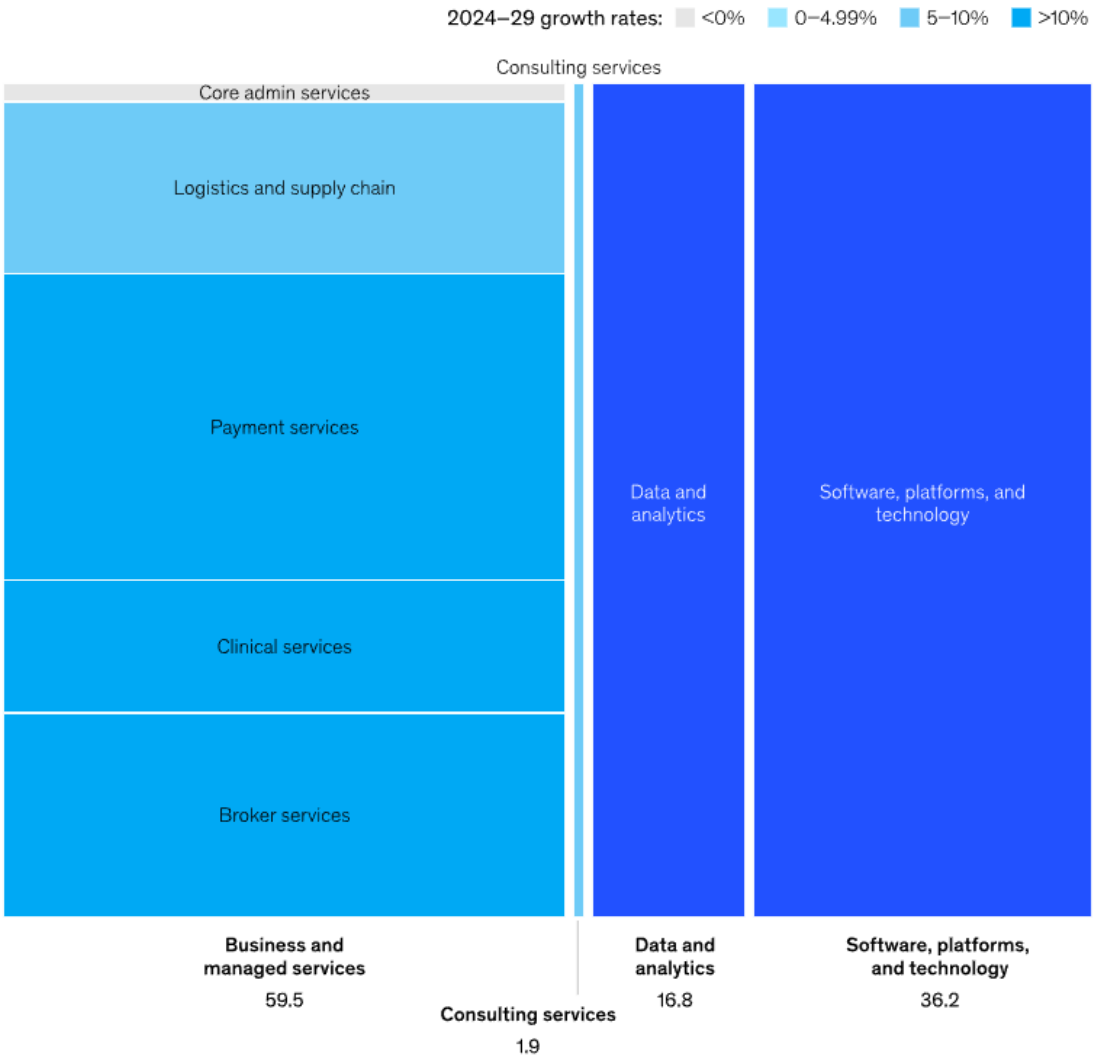
Benefits brokers earn the trust and respect of self-insured employers when they connect business goals with a benefits strategy. To deliver that kind of value requires a practical framework with underpinning technology that produces data-driven insights and endpoint

results that successfully address the issues that matter most to employers today. In fact, as healthcare costs and plan options multiply, it is common for benefit brokers to find that what worked last year will not work going forward. In the renewal process, many brokers are leveraging AI-generated guidance to provide product suggestions based on the evolving needs of a client's workforce, rather than a broker spending hours searching and comparing.

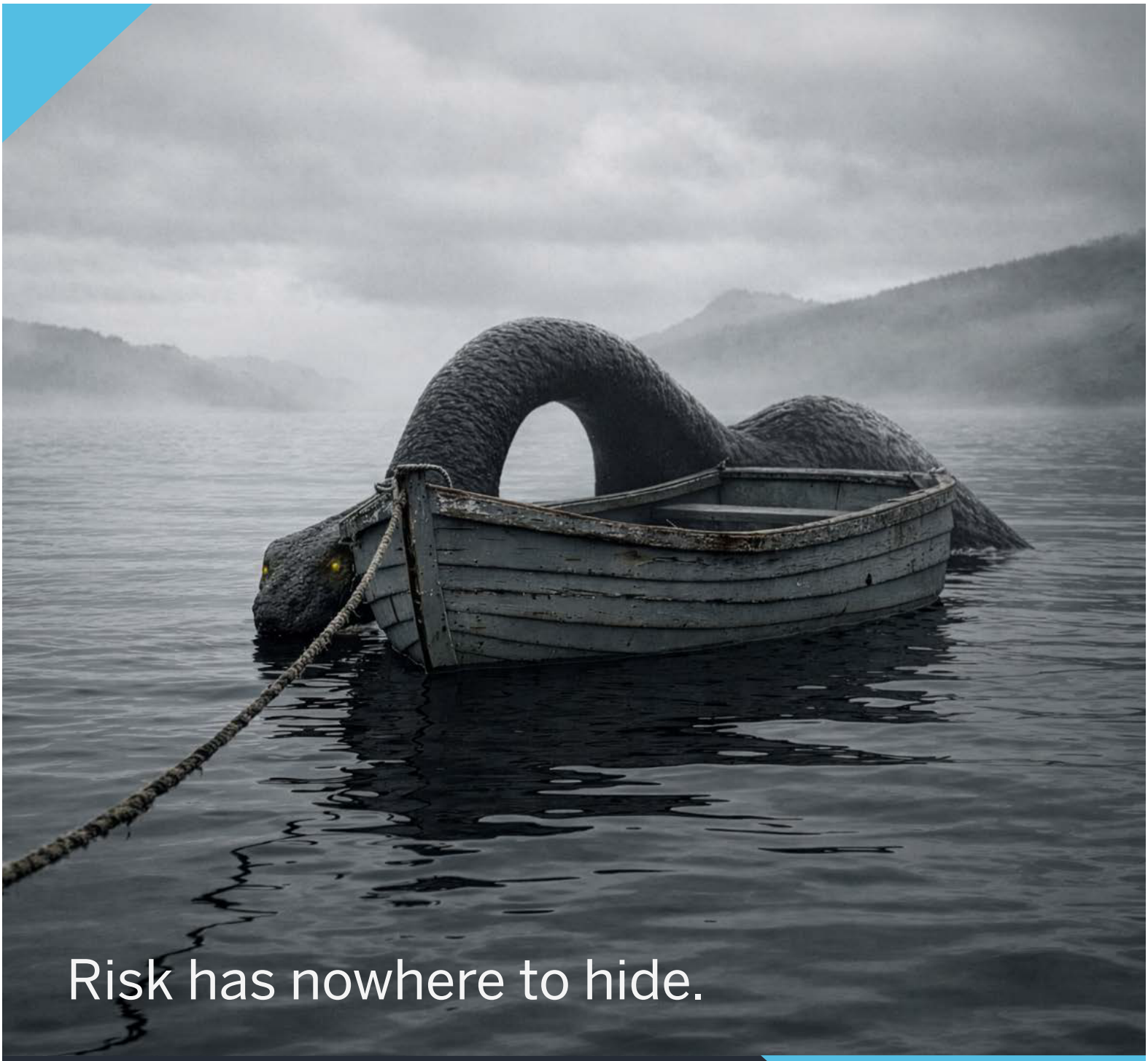
The role of the broker has become so tech-dependent that 4 in 10 employers say they would switch brokers if their current one couldn't support their technology needs. That's the reality check from Guardian where experts maintain that benefits brokers have long been the bridge between employers and the complex world of workplace benefits, helping organizations design plans that attract talent, manage costs and stay compliant. They claim that employers now use an average of 11 different systems to manage HR data and depend upon brokers to help consolidate these into unified platforms that sync

Healthcare services and technology will continue to be the fastest-growing healthcare sector.

Distribution of projected healthcare EBITDA across healthcare services and technology segments, 2029, 100% = $114 billion



Note: EBITDA CAGR is based on growth in nominal dollar margins.
Source: McKinsey Profit Pools Model



Risk has nowhere to hide.

The most consequential impairments lurk beneath complexity. Curv's condition reporting surfaces them with meaningful interpretation—revealing what matters and exposing what's coming—so you have a more defensible view of stop-loss risk.

rxhistories.com/curv-condition-reports

Milliman **Curv**

enrollment, payroll and compliance reporting.

Employers increasingly expect their brokers to understand how benefits fit into the technology systems that power HR and payroll, presenting opportunities to strengthen client relationships, streamline administration and compete more effectively against digital-first competitors. Benefits technology sculpts employer decisions to deliver seamless, digital-first benefits experiences that optimize resources and minimize risk.

Dani Kimlinger attests that when employees don't experience benefits as separate products, they experience them as one system when life happens.

"Brokers who translate benefits across vendors, reinforce how programs connect, and set expectations for year-round coordination help employees use what employers pay for," she comments. "That systems-level clarity is where brokers reinforce their advisory value well beyond open enrollment. They have the authority to be system integrator."

When it comes to brokers recommending a new product or service, Optavise cites the importance of technology, citing the top three factors: 59% Ease of Integration, 54% Employee Experience and 43% Innovative Technology. Brokers prove their value by keeping pace with technology that supports data integration, enrollment systems and employee communication tools that ease benefits management.

OVERCOMING CHALLENGES OF DATA INTEGRATION

Integration is a constant challenge, as Deloitte attests that the market is shifting its focus from contingent and full-time labor intelligence to "total workforce intelligence." They cite findings from a recent study (Second Talent) showing 76% of organizations cite HR analytics as a strategic business priority—yet only 6% have reached predictive maturity.

Brokers recognize that it's no longer sufficient to just obtain external data—they take their cue from industry thought leaders who say the time has come to manage the entire data supply chain. The above-referenced study confirms that the adoption of HR analytics varies significantly across organizations, with maturity levels ranging from basic reporting to advanced predictive modeling.

McKinsey affirms that organizations with mature HR analytics programs are 5x more likely to make fast, data-driven decisions and 3.2x more likely to outperform competitors.

Source: McKinsey People Analytics Research

Second Talent cites key adoption drivers:

- 87% of organizations cite "better decision-making" as primary driver
- 79% want to improve employee retention and engagement
- 73% seek to optimize recruitment and hiring processes
- 68% aim to demonstrate HR's business value
- 62% focus on cost reduction and efficiency gains
- 75% want to enhance workforce planning capabilities
- 54% need to support compliance and risk management
- 49% seek competitive advantage through people insights

Brokers demonstrate value by expressing their willingness to discuss issues related to data exchange, automation and decision-support tools. Tech-savvy brokers use these communications to validate their understanding of business beyond benefits alone, providing data-driven insights and translating complex benefits issues into clear, actionable strategies.

BENEFIT BROKER SOLUTIONS TACKLE PERSISTENT EMPLOYER CHALLENGES

"Advocacy is the area with the widest gap between what brokers promise and what they actually deliver," maintains Barbora Howell. "Many sell 'concierge' services that turn into a voicemail when an employee is fighting a denied claim or a surprise bill. The brokers who do this well either staff dedicated patient-advocacy teams or partner with specialized advocacy firms who can navigate appeals, billing errors and prior-auth disputes on the member's behalf."

Howell advises plan sponsors: "The right question isn't whether your broker offers advocacy…it's what happens when an employee actually picks up the phone and whether anyone is measuring outcomes on those cases."

Laura Carabello holds a degree in Journalism from the Newhouse School of Communications at Syracuse University, is a recognized expert in medical travel and is a widely published writer on healthcare issues. She is a Principal at CPR Strategic Marketing Communications. www.cpronline.com