

BROKER TREND REPORT

# 4 Forces Redefining the Broker's Role in Employer-Sponsored Healthcare



# A revolution is reshaping employer-funded healthcare. With traditional insurance carrier models collapsing under cost and compliance pressures, the opportunity for brokers has never been greater – or more urgent.

The U.S. healthcare system has reached a breaking point – and brokers are squarely in the spotlight. The old playbook of narrowing networks, increasing deductibles, and trimming benefits – aren't closing the gap.

Employers aren't just frustrated; they're running out of options. They're looking for brokers that can do more than negotiate a renewal: they want a partner that can help model what success looks like.



As **David Axene**, President and Managing Partner of Axene Health Partners, LLC, and a Fellow of the Society of Actuaries (FSA) noted, many employers “don't realize

how much they're overpaying until they see a claims-level comparison.”

When they finally do, they won't just ask hard questions of their carrier – they'll ask them of their broker too.

The downstream consequences of a system that isn't working are already visible. Delayed care during and after the COVID-19 pandemic has triggered a wave of late-stage diagnoses – especially in patients with cancer and cardiovascular disease. And it's not just a human cost; it's an economic one. Employers are paying more for worse outcomes, and employees are losing trust in a system that's supposed to support them. Brokers have a clear opportunity to change the narrative not by incrementally adjusting plans but by leading clients to alternative models built for transparency, fiscal control and positive employee experience.

## WHY BROKERS MUST LEAD WITH ALTERNATIVES



Healthcare cost growth is outpacing revenue and wage gains by nearly 2:1. Most employers face 8-9% medical trend increases in 2025<sup>1</sup> while wage growth remains flat at 3.7%<sup>2</sup>. Brokers that rely on traditional plan tweaks are losing credibility.



Scrutiny Regarding Monitoring of Service Providers to meeting Fiduciary Obligations under the Employee Retirement Income Security Act of 1974 (ERISA) is intensifying. With lawsuits against fiduciaries by members on the rise,<sup>3</sup> clients expect brokers to help them meet their fiduciary obligations.

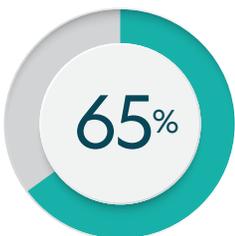


Clients want access to actionable data. Some 71% of employers<sup>4</sup> say pricing and claims transparency now directly influences their vendor and plan design decisions.

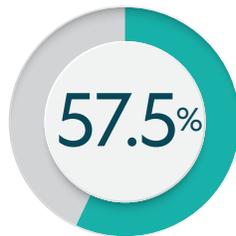


Cost shifting is collapsing. High-deductible health plan enrollment declined for the first time in a decade, and brokers must offer solutions beyond just raising the deductible, or they risk getting asked the tough questions.

## Now is the moment that brokers should offer alternative, cost-effective health plan solutions to meet their clients' evolving needs.



of C-suite executives want their brokers to present new savings strategies, such as reference-based pricing.<sup>5</sup>



of executives said they were unsure or did not believe their brokers had long-term strategies to tackle rising health insurance costs.<sup>5</sup>



of executives indicated they did not see cost containment savings from their brokers' recommendations, which suggests a need for more-effective strategies.<sup>5</sup>

# Employers Are Ready for Alternative Health Plans. Are You?

## ① Cost pressures are unrelenting with healthcare spending accelerating on all fronts.

In the face of rising healthcare costs – driven by high-dollar therapies, increasing utilization and delayed post-pandemic care – some brokers fall into the trap of chasing fringe ideas to cut costs. Whether it's sourcing prescriptions from overseas or launching niche point solutions with narrow applicability, such approaches can look innovative, but they often miss the real opportunity: structural savings that scale.



As **Matt Monda**, Senior Vice President of Employer Risk at **Imagine360**, explained: "This happens when brokers try to prove their value through novelty rather than impact. When that happens, brokers sometimes become too focused on nickel and diming their way to big savings and may overlook more impactful silver-dollar solutions." The unintended

consequence? Time, resources and employer trust get jeopardized on strategies that might never apply.

Instead, brokers should focus on predictable savings and smarter plan architectures. Models that combine reference-based pricing with a network of provider and health system partners don't require a leap into the unknown, said Monda. Paired together, they deliver consistent, system-level cost containment that aligns with both fiduciary duty and employee usability. As Monda put it: "You don't have to overengineer the solution. You just have to stop giving away margin."

### WHY IT MATTERS

Employers can't offset rising healthcare costs with conventional cost-containment levers anymore. Every deductible hike and network change chips away at employee trust – and puts employer-broker relationships at risk.

### URGENCY TO ACT

Employers are looking for brokers that bring structurally different solutions in the forms of models built for transparency, flexibility and long-term cost control. Brokers don't have to push a particular model, but they do have to educate, vet and bring viable alternatives to the table. Inaction is no longer neutral because staying silent exposes brokers to competitive risk.

## The Fastest-Growing Healthcare Cost Drivers



### BEHAVIORAL HEALTH

**Cost:** Employers are spending more than **\$200 billion** annually on behavioral health services for employees and employees' dependents.<sup>6</sup>

**Growth rate:** Claims rose from **1.8% in 2018** to **3.1% in 2023**, with some employers seeing this category emerge in their top five spend areas.<sup>7</sup>

### REPRODUCTIVE CARE

**Cost:** Cost is **\$15,000–\$30,000** per cycle of in vitro fertilization.<sup>8</sup>

**Growth:** About **70% of employers** report increased costs; **93% express concern**.<sup>9</sup>



### GLUCAGON-LIKE PEPTIDE-1 (GLP-1) DRUGS

**Cost:** Cost is about **\$1,000** per month per user.<sup>14</sup>

**Growth:** More than **56% of employers** cite this cost as a top cost driver.<sup>15</sup>



### SPECIALTY DRUGS

**Cost:** This cost amounts to nearly **50%** of all pharmacy spend.<sup>10</sup>

**Growth:** A **13.3% increase in 2025** is expected due to innovation and drug replacement.<sup>11</sup>



### CELL AND GENE THERAPY

**Cost:** This cost is **\$300,000** to more than **\$4 million** per treatment.<sup>12</sup>

**Growth:** The incidence is about 1 in 150,000; single-case cost = **\$2 million–\$4 million**.<sup>13</sup>

### DELAYED TREATMENT AND DIAGNOSES (POST-COVID-19 EFFECT)



**Cost:** These treatment costs are significantly higher due to disease severity.<sup>16</sup>

**Growth:** There has been a spike in advanced-stage cancer and heart disease.



## Price ≠ Quality of Care: The Healthcare Illusion Costing Employers Millions



When federal regulations began requiring hospitals to publish prices through the Hospital Price Transparency Rule in 2021, the hopes were that consumers would become smarter shoppers, and employers would have the data they need to compare

prices of procedures and care. But it's hard to compare costs when consumers are unaware of costs or when 74% of hospitals are not compliant.<sup>17</sup>

### WHY IT MATTERS

Federal transparency rules were meant to empower smarter choices, but in reality, the rules often create more uncertainty. With hospitals' inconsistent compliance and pricing buried, employers don't need more data, they need usable insights tied to their actual claims.

In practice, the Hospital Price Transparency Rule in 2021 has not empowered consumers. And for savvy employers that realize that the same MRI can cost \$400 on one block and \$4,000 on the next, the Healthcare Price Transparency Rule still does not allow them to guide health plan members to the highest quality, lowest cost choice.

### URGENCY TO ACT

Employers flying blind about cost drivers are missing major opportunities for accountability and savings. True transparency isn't a file on a hospital website; it's a model built to expose pricing variation, unlock claims data and drive decisions grounded in financial reality.

Over the past four years, we have learned that real accountability won't come from better hospital websites. It will come from healthcare models designed to deliver a different kind of transparency. Transparency that gives employers more than just comparative data on high-cost procedures and care. Transparency enables them to access, analyze and act on their own claims data. Without access to the data, employers are essentially flying blind when it comes to understanding their true cost drivers. "If brokers aren't helping employers make sense of their own data, they're just extending the data blind spots. Transparency means nothing if it isn't actionable," observes Axene, who underscores the need for brokers to lead with evidence.

## Healthcare Cost Variability Examples

This chart shows real-world examples of the wide variation in pricing for the same procedure across providers.

PROCEDURE	LOWEST REPORTED COST	HIGHEST REPORTED COST	COST VARIABILITY
MRI (brain) <sup>18</sup>	\$400	\$3,500	<b>775%</b>
Colonoscopy <sup>19</sup>	\$500	\$2,500	<b>400%</b>
Knee arthroscopy <sup>20</sup>	\$1,500	\$10,000	<b>567%</b>
Abdominal ultrasound <sup>21</sup>	\$200	\$1,500	<b>650%</b>
Kidney function panel <sup>22</sup>	\$50	\$200	<b>300%</b>

### ③ Employees Are Financially Exposed – Even When Insured

A staggering percentage of people with health insurance still face significant financial challenges when accessing care. According to a 2024 KFF Health Tracking Poll,<sup>23</sup> about half of insured adults reported difficulty in affording healthcare costs, including premiums, deductibles and out-of-pocket expenses. Notably, 21% of insured adults said they have skipped or postponed necessary medical care due to cost concerns, highlighting that insurance coverage does not always equate to affordable access to healthcare.

Those financial strains contribute to the accumulation of medical debt among insured individuals. KFF's research indicates that more than 4 in 10 adults (41%) reported having debt due to medical or dental bills, with insured adults constituting a significant portion of that group. Their debt often results from high deductibles and out-of-pocket costs that exceed individuals' financial capacities, leading to delayed or skipped care and further exacerbating health issues.

#### WHY IT MATTERS

The decline in HDHPs suggests a shift away from plans that place greater financial responsibility on employees, as the burden of high deductibles and out-of-pocket costs becomes increasingly untenable for many.

#### URGENCY TO ACT

Brokers are responding to those concerns by exploring alternative plan designs that balance cost containment with employee financial well-being. Strategies include options to provide more-affordable and accessible healthcare coverage. The approaches aim to alleviate the financial burden on employees while still managing overall healthcare costs for organizations.

Amid already financially stressed employees, the traditional practice of shifting more and more financial responsibility onto employees through high-deductible health plans (HDHPs) is losing favor. And even though HDHPs were designed to lower premiums and encourage cost-conscious healthcare decisions, they often result in significant out-of-pocket expenses for enrollees. The impact? According to the Centers for Disease Control and Prevention (CDC), enrollment in HDHPs among privately insured individuals younger than 65 years of age decreased by four percent from 2021 to 2023.<sup>24</sup> That decline suggests a shift away from plans that place greater financial responsibility on employees, as the burden of high deductibles and out-of-pocket costs becomes increasingly untenable for many.

### Insured, In Debt and Skipping Care: The New Reality of the U.S. Workforce<sup>25</sup>



#### DELAYED OR SKIPPED CARE

38% of respondents reported skipping or postponing necessary healthcare or medications due to cost – up from previous years.



#### WORSENING HEALTH CONDITIONS

42% of those who delayed care experienced a worsening of their medical conditions.



#### JOB DECISIONS INFLUENCED BY BENEFITS

More than 25% of respondents indicated they would accept a pay cut for a job offering better health benefits.



#### WILLINGNESS TO TRAVEL FOR LOWER COSTS

60% of participants said they would travel farther to see a healthcare provider if it meant lower costs.



#### PERCEPTION OF FAIRNESS

Nearly 70% said healthcare costs are unfair, and almost 60% said they desire more transparency in healthcare pricing.



#### FINANCIAL STRAIN

High health plan premiums were identified as the primary factor making healthcare unaffordable, followed by high out-of-pocket maximums.



## Fiduciary Pressure and Policy Shifts Are Clearing the Path To Alternative Health Plan Models

Federal oversight of employer-sponsored health plans is intensifying, and brokers are increasingly looked to by clients in meeting their fiduciary duties. Under ERISA, plan sponsors are required to act in the best interests of plan participants, which includes ensuring plan fees are reasonable and decisions are informed. Employers need brokers that understand the potential legal risks and can assist a plan in making defensible decisions as a fiduciary of the plan.

Brokers play critical roles in navigating today's compliance realities. That means facilitating claims-level visibility, helping to benchmark vendor performance, and assisting the plan in meeting its fiduciary obligations. As Imagine360's Monda put it, "If you're not helping your clients understand what they're paying and why, you're exposing them to risk they may not even realize they carry." Fiduciary support isn't just a value-add; it's table stakes, according to Monda.

The shift also requires brokers to reevaluate their relationships with health insurance carriers and vendors. In many cases, compensation structures and legacy partnerships may conflict with an employer's best interests, and forward-looking brokers are bringing fee transparency, removing opaque incentive structures and helping employers select partners based on value, not volume. By doing so, such brokers are reinforcing trust and strengthening their long-term advisory roles.

Fiduciary responsibility is reshaping the role of a broker: Brokers that step into that expanded role by helping employers align plan designs with financial accountability and participant protection will become indispensable. Those that don't risk being left behind. The opportunity isn't just to meet the moment but also to lead it.

### The shifting employer-broker relationship in the current policy climate



**Barbara Barrett**, Vice President of Human Resources and Benefits at Langdale Company, where she has worked for more than 30 years, is a longtime client of Imagine360 and was instrumental in guiding Langdale's transition to a self-funded health plan model.

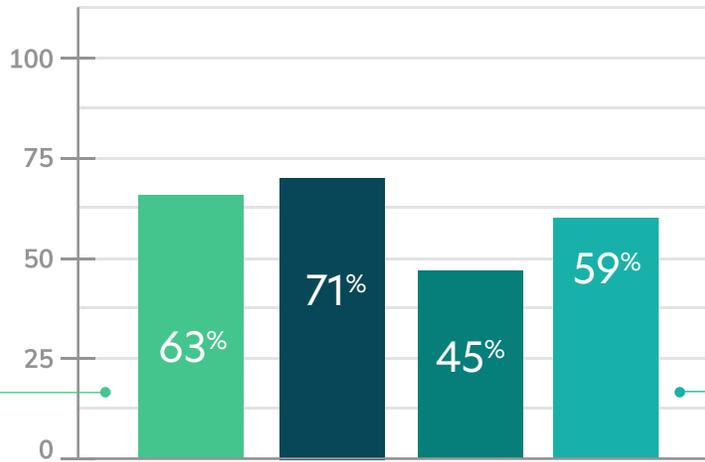
Barrett suggests brokers should help employers take control of their health plans to meet their obligations as fiduciaries. According to Barrett, those actions start with the following:

- **Broker alignment and transparency:** Employers are increasingly looking for brokers to proactively disclose all revenue sources tied to their plan, as required by the CAA. Brokers should be prepared to welcome the employer's bringing in vendors of the employer's choice and then act as an open collaborator rather than a gatekeeper. Brokers that operate transparently build trust - and they protect themselves from replacement by partners that will.
- **Data access:** Brokers have to ensure that clients have contractual rights to full claims data and aggregate data and must understand and adhere to the precise language that conveys those rights to access. That includes advising clients during third-party-administrator negotiations to guarantee that deliverables will be specific, accessible and usable. Helping clients unlock their own data isn't optional; it's a core part of fiduciary support.
- **Independence and advocacy:** Brokers should embrace their roles as advocates - not as protectors of the status quo - and they should support employers in vetting new solutions objectively. If a vendor isn't working out or refuses to collaborate, brokers should help clients move on. Brokers that lead with independence earn the credibility to influence, not just maintain, employer strategy.

# The Regulatory Wake-Up Call

## CONCERN WITH MEETING FIDUCIARY OBLIGATIONS IS RISING

**63%** of employers increased fiduciary training or legal review of their health plans due to regulatory concerns.<sup>26</sup>



## COST TRANSPARENCY IS CHANGING BEHAVIOR

**59%** of employers said price transparency tools have affected network or vendor decisions.<sup>30</sup>

## TRANSPARENCY DEMANDS ARE RESHAPING OVERSIGHT

**71%** of employers said access to more claims and pricing data is influencing their health plan decision-making.<sup>27</sup>

## PLAN DESIGN IS SHIFTING IN RESPONSE

**45%** of employers are evaluating reference-based pricing or direct contracting models in 2025.<sup>29</sup>

## Lead With Data. Deliver With Strategy. Grow With Trust.

Brokers are at a crossroads. As healthcare costs surge and fiduciary pressures mount, employers are no longer satisfied with passive renewals or surface-level advice. They expect more. As Imagine360's Monda put it, "If you don't bring options forward, someone else will." That doesn't mean endorsing every new solution, said Monda. It means understanding the available solutions, modeling them and offering real alternatives based on client needs, he explained. Barrett emphasized it plainly: "If a broker blocks new ideas, I don't want to do business with them."

What employers need now are brokers that lead - brokers that fight for claims data access, that expose price variability and that put their clients' goals above all else. In a market shifting fast, the most-effective brokers won't wait for clients to ask for alternatives. They'll proactively bring the alternatives to their clients because the next phase of client trust - and business success - depends on it.

Brokers must prove they understand the changing healthcare landscape and are willing to evolve with it.

"HR and finance leaders don't just need middlemen; they are looking for guidance. If you want to be seen as truly caring about your clients, then take the time to understand these models - really understand them. Then go in and talk honestly about the options. This will be the real differentiator."

- **Matt Monda**  
Imagine360

# About Imagine360

Imagine360 is a leading healthcare solutions provider that helps self-funded employers take control of their healthcare costs while delivering better experiences for members. With more than 15 years of expertise in RBP and health plan administration, Imagine360 develops fully integrated solutions that combine deep industry knowledge, data-driven strategies and concierge-level support for employers.

The company partners with employers and brokers to design and manage customized health plans that lower costs, increase transparency and improve outcomes – without compromising quality or access. Backed by dedicated advocacy, legal protection and proven results, Imagine360 is reimagining what smarter healthcare can look like for organizations and their employees.

Learn more at [Imagine360.com](https://www.imagine360.com) or [subscribe](#) for more content like this.

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