

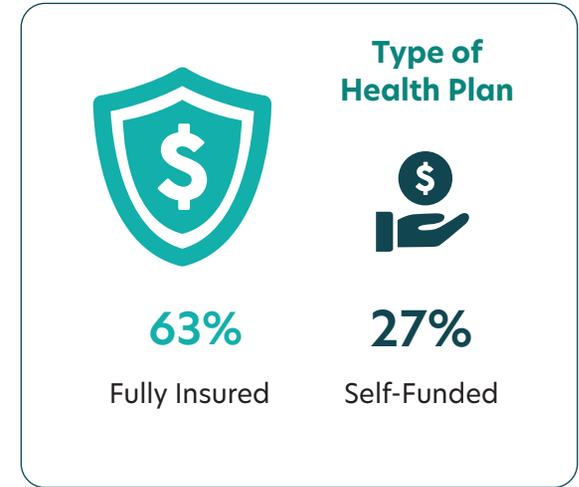
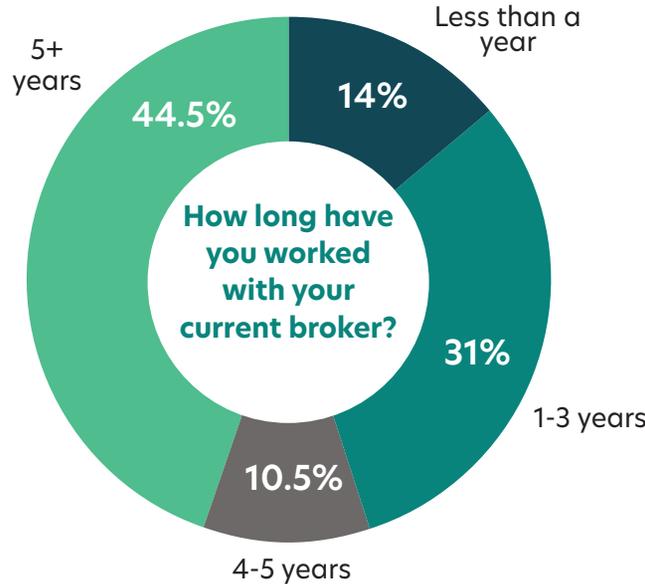
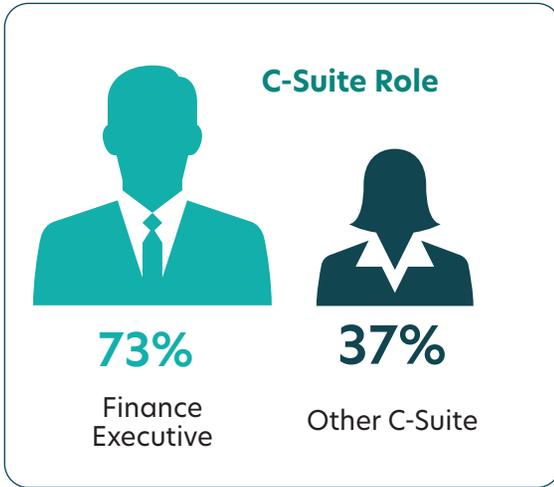
C-Suite Broker Relationships and Cost-Containment Survey

Conducted by:



During the first quarter of 2024, Imagine360 and BenefitsPro surveyed approximately 100 executives regarding cost-containment measures and their relationships with healthcare benefit brokers.

Of those surveyed, the majority were executives in mid-sized firms (57.5%), while 34% came from smaller companies and 8.5% led enterprise organizations.



Key Findings

Overall, executive leaders are pleased with the relationship and input from their healthcare benefit brokers. The majority believes that brokers are an advocate for their company's financial well-being and are likely to recommend them to another business.

Leaders indicated that regular meetings and communications are critical throughout the year in order for employers to feel good about their plan and the broker's impact.

Clients that met with their broker regularly were more likely to:

- ✓ Believe that their broker was primarily looking out for their best interests.
- ✓ Think of their broker as an advocate for their company's financial well-being.
- ✓ See a reduction in healthcare costs due to broker strategies and recommendations.

The Broker and Executive Relationship

The majority of executives in this survey were likely to recommend their broker and believed they were an advocate for their company's financial well-being. They also felt that their broker was looking out for the company's best interests while also looking out for themselves.

I believe that healthcare brokers are:



31%

Primarily looking out for the client's best interest



54%

Looking out for their clients and themselves



15%

Mostly looking out for themselves and their carrier partners

Is your broker an advocate for your company's financial well-being?



73.5%

AGREE



20%

NEUTRAL



6.5%

DISAGREE

Would you recommend your current health insurance broker to another business?



Definitely recommend **50%**

Probably recommend **24.5%**

Neutral **18%**

Probably not recommend **2.5%**

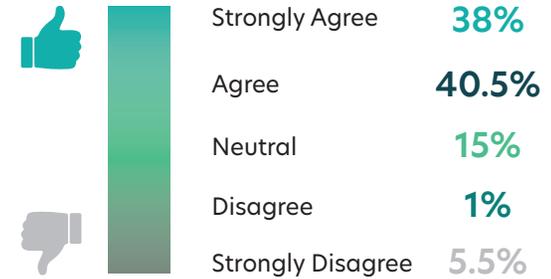
Definitely not recommend **5%**

C-Suite and Broker Communication

When we looked more closely at the trends associated with broker recommendations, communication and presence became paramount. In several key communication areas brokers scored particularly high. However, brokers didn't score quite as well when measured during non-renewal periods and in engaging effectively with company leadership.



Employer Question: I believe my broker communicates well with our HR team.

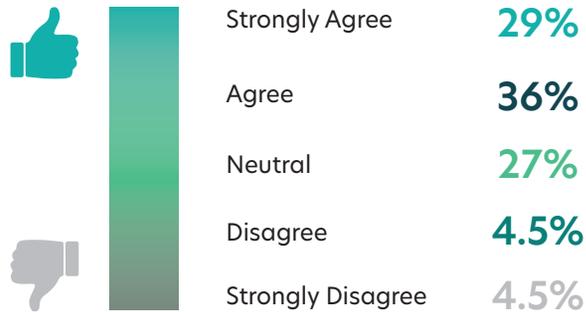


Employer Question: I believe my broker communicates with us during non-renewal periods.

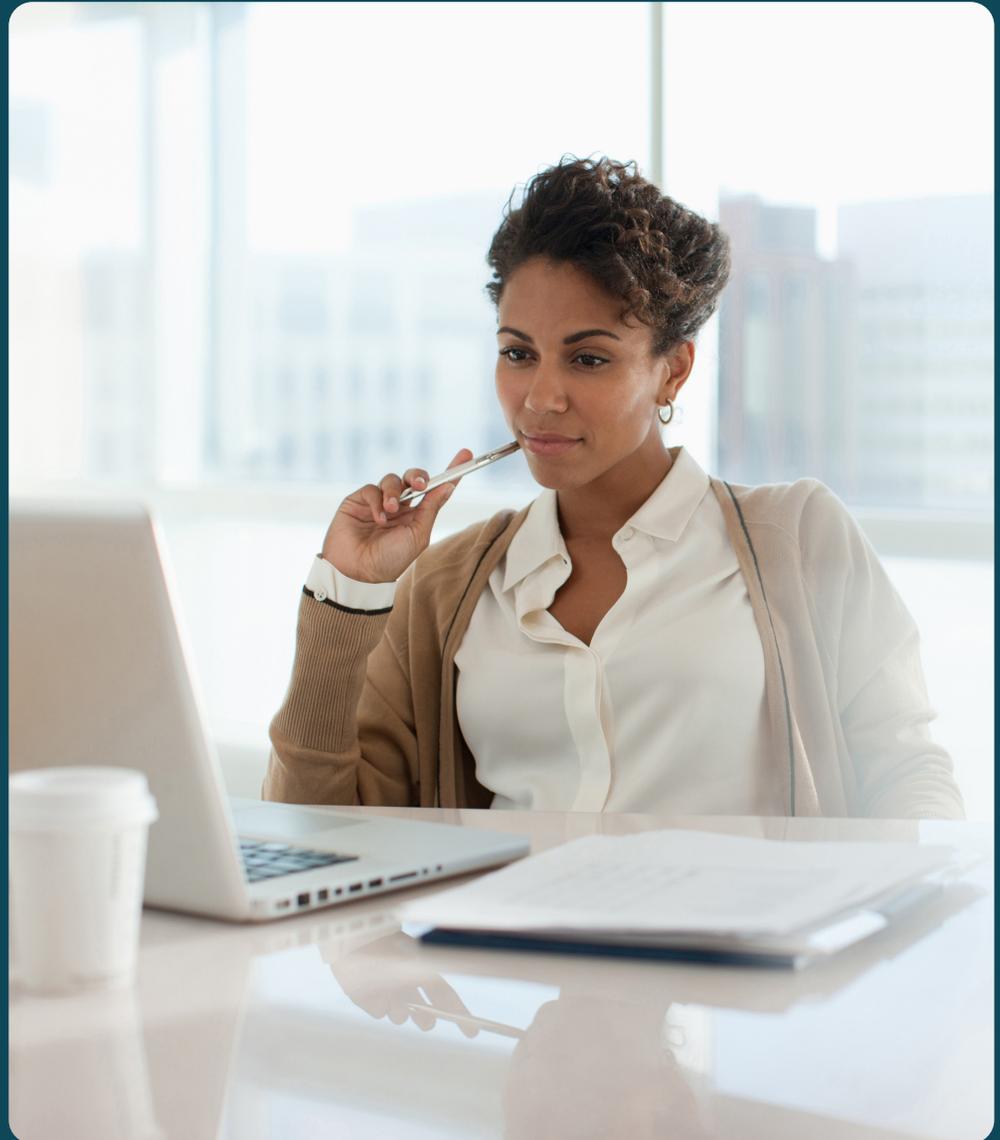


C-Suite and Broker Communication (continued)

I believe my broker engages effectively with our leadership.



I believe my broker responds in a timely manner.



Employee Communications and Executive Meetings

Compared to how executives believed brokers corresponded with HR, the C-suite felt that employee communication wasn't quite as effective. However, they generally agreed that the materials provided to their workers was useful.

I believe my broker helps onboard employees effectively and communicates how to use their benefits.



53%

AGREE



31%

NEUTRAL



13%

DISAGREE

I believe my broker provides useful materials for our employees.



68%

AGREE



21%

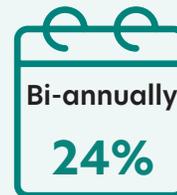
NEUTRAL



11%

DISAGREE

Executives indicated that half of brokers met with them just two times per year or less.



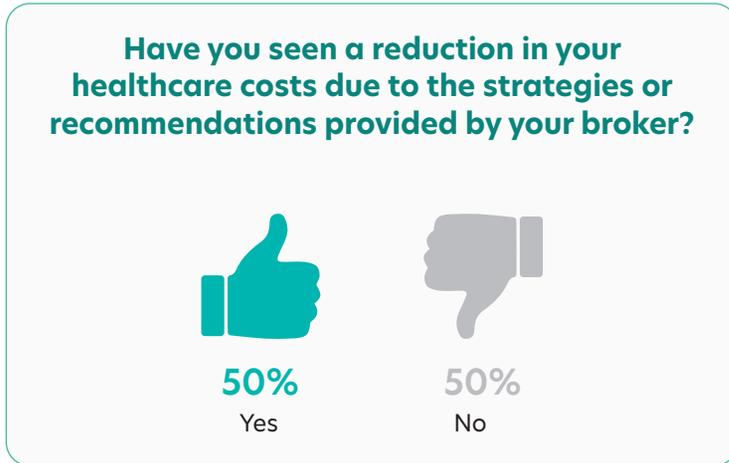
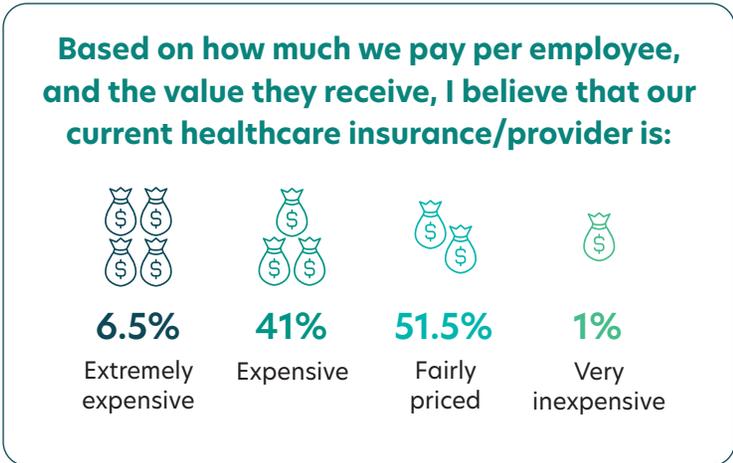
1:4 brokers are meeting with the C-suite annually or rarely/never.

Cost Containment Measures

Executives in the survey indicated that their company health plan costs went up year-over-year 7.76%, in line with national averages. Almost half of all respondents reported their plan was expensive (or extremely expensive) and 50% reported broker recommendations helped reduce costs. This could be an area of focus ahead of the next renewal season.



86% of respondents saw a year-over-year increase in health plan costs. 7.5% saw a decrease with 6.5% indicating no change.

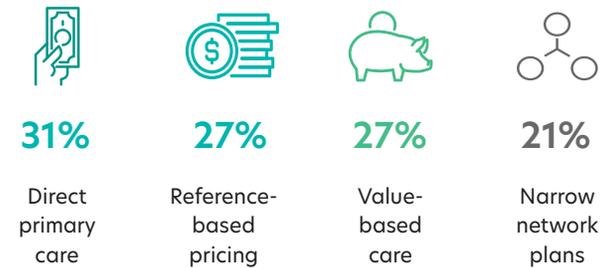


Cost Containment Measures (continued)

The most popular cost-containment strategies reviewed with executives were:



The least common cost-containment strategies reviewed with executives were:



Reference-Based Pricing (RBP)

When executives were asked about RBP, approximately half (48%) had never heard of the solution. Additionally, 6 in 10 members of the C-suite indicated they were unsure, or did not believe, that their broker had a long-term strategy to address rising costs.



✓ **65%** would like their broker to present RBP.

✓ **3 in 10** employers are looking into RBP on their own.

True or False? My broker has a long-term strategy to address rising health insurance costs.



42.5%
TRUE



38%
UNSURE



19.5%
FALSE



To Recommend or Not to Recommend?

A deeper analysis was done on those who would recommend their broker versus those who would not recommend. The biggest factors identified were communication, executive engagement and perceptions of self-interest.

Definitely Recommend	Will Not Recommend or Neutral
<p>64% Met monthly or quarterly</p>	<p>50% Met annually or rarely/never</p>
<p>82% Communicated during non-renewal periods</p>	<p>25% Communicated during non-renewal periods</p>
<p>84.5% Felt broker was an extension of HR</p>	<p>45% Felt broker was an extension of HR</p>
<p>51.5% Believed they were primarily looking out for the company's best interest</p>	<p>0% Believed they were primarily looking out for the company's best interest</p>
	<p>30% Felt they were looking out for themselves and their carrier partners</p>



Conclusion

Overall, the C-suite is satisfied with brokers and the services they provide. With almost 50% of respondents reporting they would definitely recommend their broker, executives clearly value their guidance.

There are some opportunity areas particularly around meeting more frequently and offering more advice as reported in the written comments. Here are some additional trends to consider:

- Ongoing price increases - as experienced last year by 86% of respondents
- Executives that believe their plan is expensive or very expensive (47.5%)
- Clients that consider broker impact on cost-containment measures ineffective (50%)
- The general lack of awareness of a long-term strategy to address rising health insurance costs (58%)

To better help clients, and secure their relationships, brokers need to clearly articulate a long-term strategy for cost-containment and introduce new solutions to combat ongoing price increases.

Additionally, brokers need to meet and communicate with the C-suite outside of renewal periods - targeting monthly or quarterly - to better understand the current business landscape and help executives reach their business goals.

(Continue for C-Suite Comments)

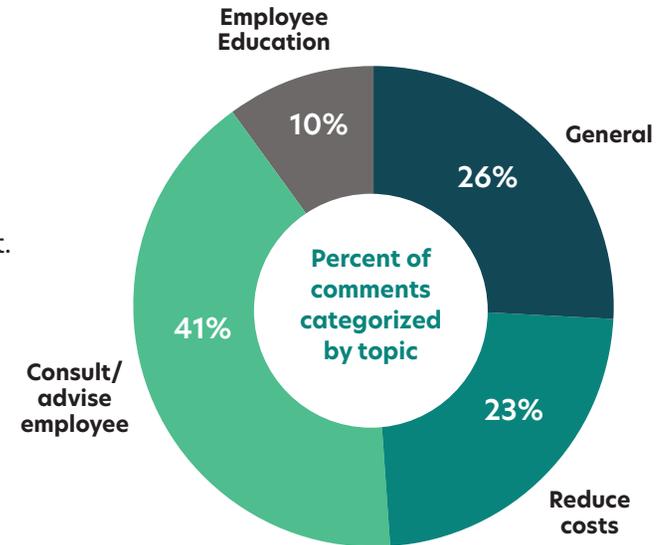


Written Comments

Feedback from the C-suite indicated a need for greater consultation and an increased focus on cost-containment and employee education.

Consulting /Advising Comments

- Discuss HDHP and HSA options.
- They handle our program well. Give advice, suggestions, and options to our leadership team to make the best plan decisions.
- We will be looking at alternatives to the fully funded model at our upcoming planning meeting next week, to see what may fit within our business model, risk tolerance and budget.
- Provide added services.
- Provide more insight around claims and IBNR.
- Help us navigate the process of negotiating our first upcoming CBA with regard to benefits. It is opaque as to how this will work, and it's not clear that they do or do not have expertise in this area.
- We have significant issues and complexities around a MEWA that require more creative solutions that are manageable to help us scale and be competitive in the market. We need more support and options in this area for our group.
- More engagement.
- Automation at renewal. He is old school and does a lot of things manually.
- They have offered opportunities for us that we have not taken them up on, but they are great. Perhaps more automation and virtual on-demand sessions for overall employee wellness education.
- Set up quarterly meetings.
- Meet with us more often, have a strategy to help with attracting and retaining people.
- Be proactive. Always feel like we are in reactive mode.
- Provide more point solutions to complement our HC plan strategy.
- Be more involved and review options throughout the year instead of a crash course review in a constrained timeframe at open enrollment.
- Be more creative and proactive to help us save costs.



General Comments

- They do a lot already for us.
- Still a new relationship. Need more time to connect.
- I'm looking for that question myself.
- Nothing at this time - we are very pleased.
- Unsure as our employees' age is increasing and we are seeing increases from this.
- We are very happy; switched to InGroup/Alera due to the services they provide.
- Implement programs faster.
- Since they joined us 18 months ago, they have been very impactful.
- They're pretty great. Very consultative.

Written Comments Continued

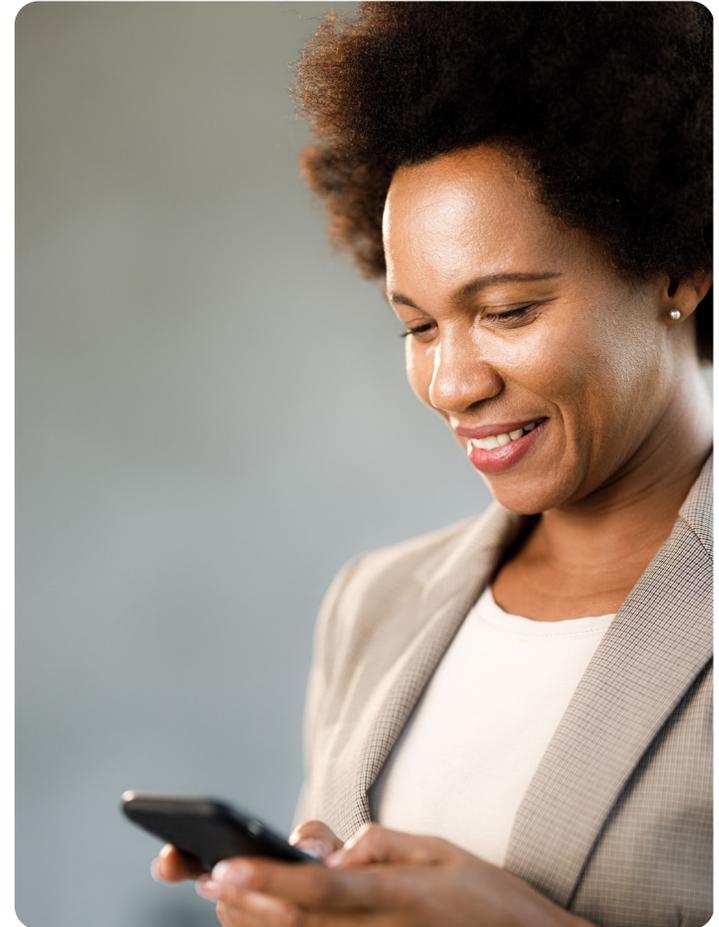
Cost-Reduction Comments

- Lower costs while improving coverage for prescription drugs, labs and office visits.
- More formulary info and incentives to use cost-effective/non-hospital associated providers for elective procedures.
- Manage costs while maximizing employee benefits.
- Ensure medical costs renew at a fair price or lower and also provide more educational materials on well-being.
- Get the insurance companies to lower the premiums/deductible.
- Keep negotiating lower costs with carriers.
- Stop increasing 10% YoY!
- Understand what the employees need- affordable care with improved access.
- Offer more solutions to reduce health costs. We are currently paying more than the national average per insured.

Education Comments

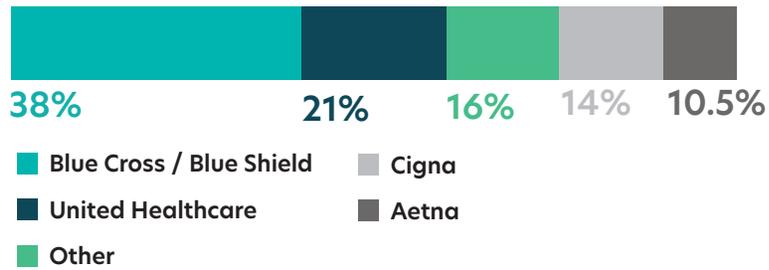
- Help establish better systems for onboarding and benefit opportunities.
- Engagement with employees can be increased on the education and awareness front.
- Maybe more materials or open sessions to explain high deductible health care plans and HSAs.
- Educate enrollees about Rx differences among existing formulary choices.

(Continue for Additional Findings)

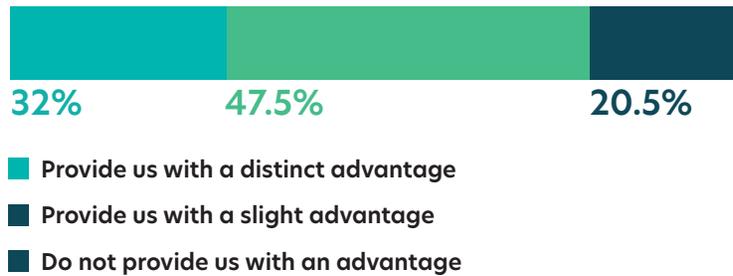


Additional Findings

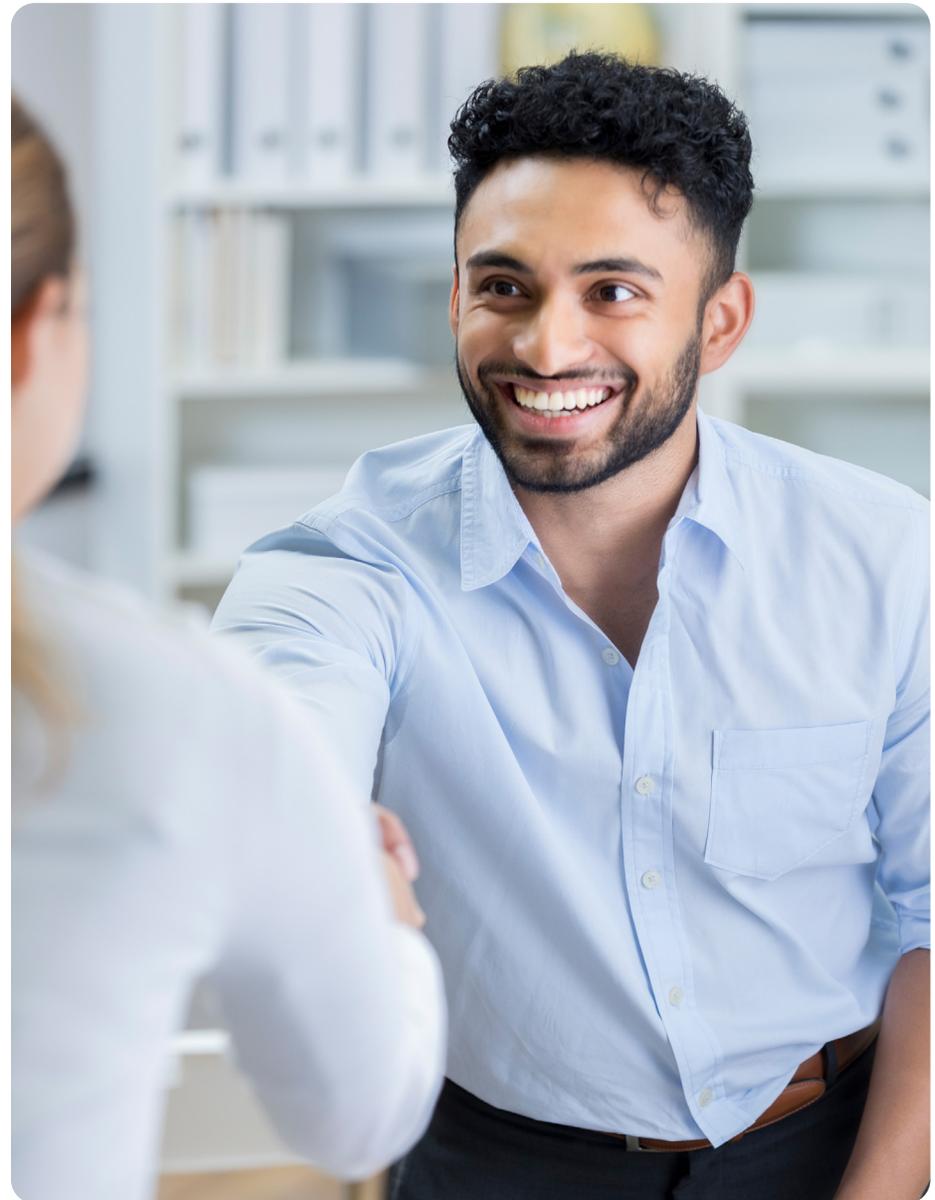
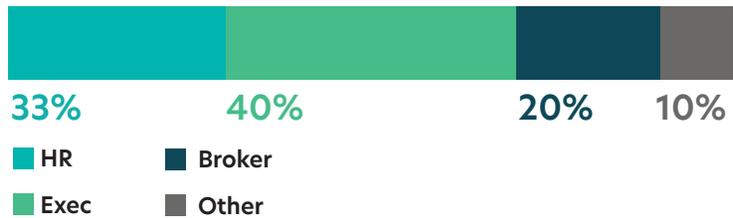
Our health insurance/plan provider is:



Relating to retaining and recruiting employee talent our benefits:



Median percent of stakeholder influence on plan provider selection:





C-Suite Broker Relationships and Cost-Containment Survey

Contact us today to learn more about our
total health plan solutions ...with RBP built-in.



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