Consultant Renewal Strategies for Cost Containment That Wins

4/15/26

BENECON

2026 Cost Drivers Impacting the 7/1 Renewal

The Self-Insurer Digital Edition- March 2026

Stop-Loss Is Entering a Structural Hard Market

“This is not cyclical volatility — it’s structural severity escalation.”

Long-term health cost drivers

- Worsening Morbidity (chronic disease burden)
- Post-COVID utilization rebound

Cell & gene therapies ($750K–$2M+)

Innovation: GLP-1s

Rise in provider costs

- Consolidation and contracting
- Use of AI tools

The Typical Renewal Strategy Isn’t Working Anymore

Renewal Increase to Employer

⬇️

Higher Deductibles & Cost Sharing for EEs

⬇️

Care Becomes Hard to Afford by Member

⬇️

Lower Utilization, Delayed Care, Worse Outcomes

⬇️

Even Higher Costs

For Consultants to Win Today

Strategic Implication:

Winning consultants will be those who align medical and Rx risk, manage volatility, and prove active control of outcomes—driving renewals and validating their value.

"The legacy approach of spreadsheeting for low rates and cost shifting is being replaced by a data-driven model centered on strategic, consultative advising."

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Monthly Data Dives

- Monthly - 4th week of the month
- Delivery via Box.com

We currently receive data from IA, CBC, Highmark, UMR and Meritain for these.

We can perform the same analysis for groups that provide the necessary data.

As we onboard Innovu more carriers are being automatically included.

Innovu

Being added to all groups 7/1

As we transition to Innovu, our data scraping for solutions will transition as well.

The Big Rocks

Our focus has evolved. We are identifying HCCs and offering solutions to address the most pressing issues for groups today.

We aren’t waiting for renewal.

The Metal Detector

Tells us where to focus

You're the Strategist

We surface the signal.

You determine the path.

Our Role:

- Finance Integration
- S/L Acceptance
- ERISA Compliance

Import Element

The solutions are independent of the TPA/ASO

Tools for Your Toolbox as We Approach the 7/1 Renewal

Focus on Pharmacy

Risk Mitigation

Garner

Renewal Elections

Focus on Pharmacy

Welcome Nick Miller, Pharm D, CPBS

Pharmacy Volatility is Reshaping Renewal Conversations — and Your Clients Expect a Strategy.

Pharmacy is now the fastest-growing driver of total plan cost, yet it remains one of the least understood in renewal strategy.
That's why we've expanded our cost containment services with dedicated in-house pharmacy expertise designed to support you and your consortium clients

Our Pharmacy Strategy Approach Helps You:

- Lead renewal conversations with confidence
- Strengthen strategy discussions
- Bring clinical credibility into client meetings
- Align PBM strategy with real cost drivers

To stay ahead of renewals, pharmacy can't be reviewed after the fact. It must be managed proactively.

K. Nick Miller, PharmD, CPBS

Senior Director, Pharmacy Services

Nick brings over a decade of pharmacy and PBM leadership experience, combining clinical expertise with real-world strategy that goes beyond contract terms.

His focus is simple: helping you control pharmacy spend through clinical insight, strategic alignment, and real-world execution.

GLP-1s Are the Immediate Pressure Valve

You must have a GLP-1 strategy for both weight loss and condition-based prescriptions.

Broker positioning opportunity

Evaluating GLP-1/Weight Loss Coverage Options

SOLUTION	HOW IT'S COVERED	EMPLOYER COST	EST. MEDICATION COST	EMPLOYEE IMPACT	POSITIONING SUMMARY
Integrated TPA Coverage	Covered through medical/Rx plan	$$$$	~$900-$1,400/month (pre-rebate plan paid, subject to cost share and plan)		Most seamless employee experience; highest overall plan exposure
HRA/LSA for Weight Loss Meds	Employer Reimbursement via HRA/LSA	$$	Varies based on reimbursement design		Flexible funding approach; administrative burden and cost variability
Compounding	Exclusion through benefit- either self-pay or employer sponsored	$	Varies based on reimbursement design, but total cost of drug typically <$200		Not recommended. With pending lawsuits and safety concerns with ingredient sourcing, the risk outweighs cost benefit with release of oral agents and other viable funding options
Rx Valet - Direct Program	Self-pay via LillyDirect + Rx Valet Wellness Card	$	Typically lower cash-pay pricing (often ~$350 - $600/month depending on dose)		$50 per participant, no PEPM; lowest structured employer cost via direct cash-pay model
Revive GLP-1 Program	Employer-sponsored GLP-1 solution	$$	Typically below retail with structured controls		$10 PEPM; predictable spend with guardrails around utilization
LivLite Program	Supplemental benefit plan	$$$	Predetermined employer contribution		Flexible funding approach for employers; seamless employee experience

Employer Cost: $ (lowest) → $$$$ (highest) | **Employee Impact:** = Less Disruptive = Moderate Disruptive = Most Disruptive
Typical Retail GLP-1 Cost: ~$900-$1,400/month (before discounts, rebates, or utilization management controls)

Re-evaluate Your Formulary Choice & Sourcing

- PBM partners are implementing biosimilar strategies to address the high cost of medications like Humira and Stelara.
- **An open formulary removes enforcement power**, which is exactly what you need for a high-cost drug class like Humira.
- Consider instead:
  - **Closed or preferred formulary**
    → Biosimilar is preferred; Humira is excluded or heavily restricted
  - **Step therapy**
    → Must try biosimilar first
  - **Prior authorization**
    → Humira only allowed if biosimilar fails
  - **Incentive alignment**
    → Lower member cost share for biosimilar

Isn't International Sourcing The Least Expensive Option?

The Situation

Group recently enacted an international sourcing overlay for a Stelara patient and several other HCC.

The Intervention

For a Stelara patient, international sourcing resulted in savings of $9500/ month or $115k annualized. Great, but wait...

The Outcome

Nick investigated a biosimilar for this individual and found $57k of additional savings for a total savings of $172,000 compared to the original Stelara option.

Rx Valet

An overlay

- Does not require you to change your TPA/ASO/PBM
- Can handle one outlier or several
- No PEPM fee

This solution sits alongside your existing framework —and focuses on the outliers while supporting the group's fiduciary responsibility.

1. Allow Rx Valet to price our one or several medications.
2. Onboard with Rx Valet, $0 OOP cost to member, HSA rules still apply
3. PAM groups funded from trust account. PAG groups billed directly. Either are included for SL
4. Lowers employer spend on Rx claims and reduce member OOPs

Risk Mitigation

Fewer belly buttons = less risk

Risk Mitigation

Knowing Your Options

Less belly buttons = less risk

FEDlogic

Samaritan Fund

CleartrackHR

State Mandates

Samaritan Fund

Assisting Plans and People

1. Brings financial peace of mind to those with a serious illness
2. Consulting fee based on number of members impacted
3. Can only be offered during Open Enrollment

The Situation

- In January, we had a group that a handful of claimants were significantly impacting the group's claim fund
- Stop-loss was experiencing ongoing spec breeches for the same members

The Intervention

- Samaritan Fund was introduced to the consultant and the group for their 4/1 open enrollment

The Outcome

- Member and group were in control of the decision
- 5 members transitioned to Samaritan Fund
- Members OOP expenses were covered
- Total savings to group and stop-loss: $5.3M to $7.1M

CleartrackHR

Dependent Audit

1. Focus on verifying that only eligible dependents are covered on the plan. Typically, 3-10% of dependents are not eligible
2. Benecon preferred pricing, $4000 minimum
3. ROI Guarantee that the group won’t spend more than they save

The Situation

Our PSHIC consortium of 13 school districts performed an audit in late 2025.

The cost of the audit was $90,000.

The Intervention

7,808 total dependents reviewed:

- 7,272 verified
- 536 ineligible dependents identified
- 93% verification rate

The Outcome

- 7% of dependents were ineligible
- $2.1M of premium equivalents alone

Pennsylvania Act 181

Consider the Risk of State Mandates

This is an election, not a mandate. Consider what state mandates are OPTIONAL as a self-funded program.

Mandates that **newborn children are automatically covered for the first 31 days after birth** under a parent's health plan.

Coverage is automatic at birth and applies for 31 days.

For **self-funded plans**, the group has flexibility due to ERISA preemption to elect or not.

Confirm how your groups are covering and make modifications as necessary.

The Situation

Our team was advised in March 2026 that a NICU claim in excess of $275k had occurred.

The Impact

Baby was automatically added to plan and cost was absorbed by the plan and SL because group opted in to Act 181.

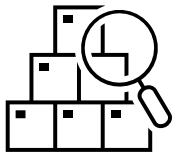
The Outcome

- Cost to plan could have been avoided.
- Cost to SL could have been avoided.
- Expense would only occur if baby was added to the plan (in this case baby was NOT added to the plan).

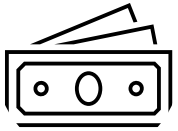
Other State Requirements:

That means anything driven by state insurance law becomes an elective design decision. Many employers still mirror fully insured plans which may not be in their best financial interest. Make sure to review what they want and how to cover.

22 states mandate some level of infertility coverage. IVF alone can cost up to ~$35K per cycle.



Bariatric surgery often mandated or strongly encouraged in some states. $20K–$50K per case + downstream utilization changes.



Nearly all states have mandates for ABA therapy for autism. ABA utilization is high and long duration. ABA therapy runs $30K – $100K+ per child per year.

Garner

Lower The Claim Fund While Increasing Benefits

Garner

Can work with any TPA/ASO

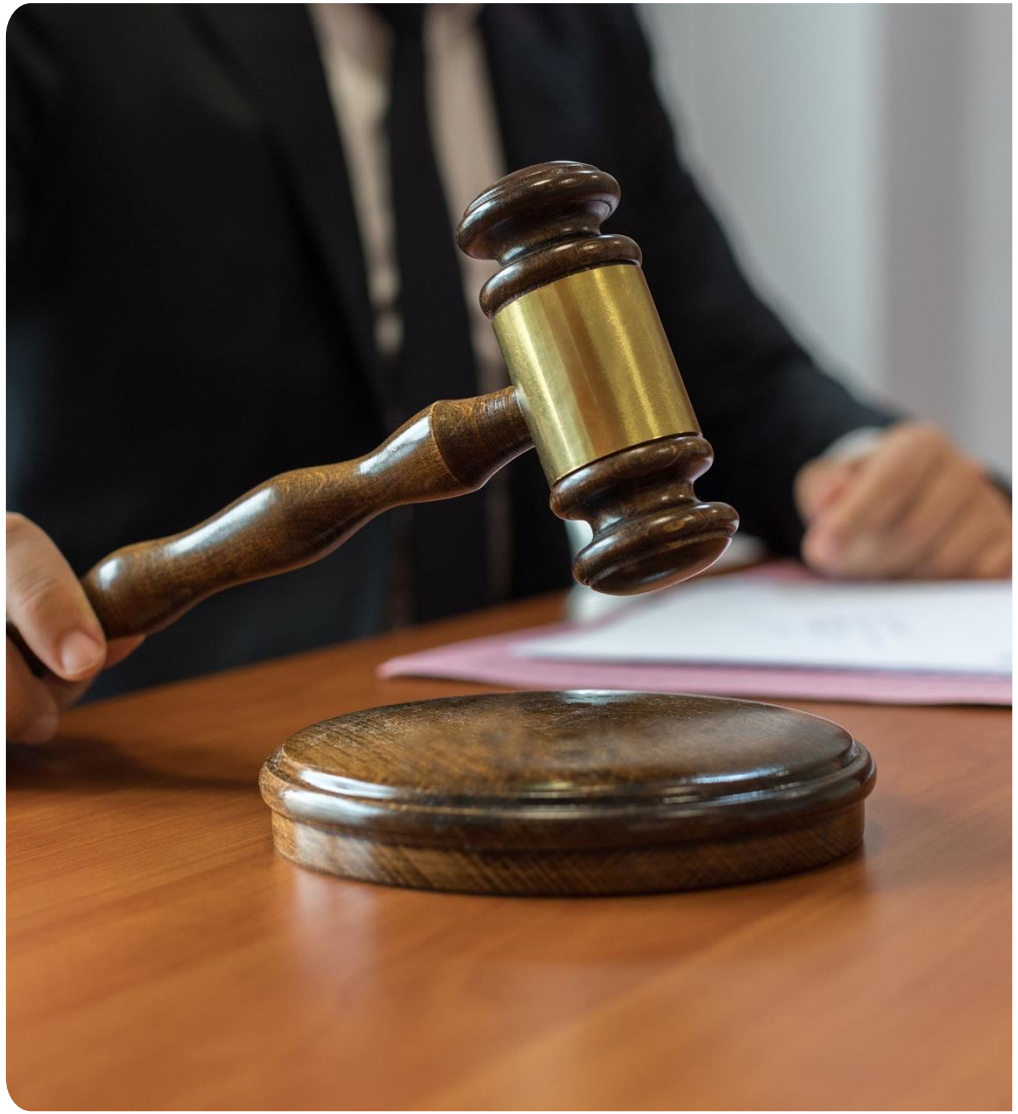
Garner is a newer, more extensive approach to identifying the highest quality providers in the nation, regardless of network. By incentivizing members to utilize these top providers, that reverse the trend of rising healthcare costs and restore confidence for both employers and the people who depend on them for care.

1. Request a proposal from Garner, either the increased or enhanced option. Mention that this is a Benecon initiated RFP in your email. You will need:
   - Historical $PEPM spend
   - Plan design
   - Census with locations and enrollment by plan
2. Request a PCE (Plan Change Estimate) from your VERIS Ops lead that models out the Garner proposal.
3. Member's OOP costs reduced when choosing a Garner provider. 80% average reduction in member out-of-pocket expenses annually.
4. Lowers employer plan costs an average of 12% & can work with an HSA.

All onboarding, eligibility and billing done directly with the solution.

Renewal Election

Revive is only elected on renewal. All others go through the BCC team.



Compliance

As part of implementing **any solution overlay**, the Benecon Compliance team conducts a standard review to ensure the program is appropriately aligned with your overall benefit plan and that any necessary documentation (including wrap documents, if applicable) is updated accordingly. **They will send you an email with a list of questions.**

While Benecon may facilitate access to preferred vendor solutions, these programs are **not a Benecon-sponsored plan**. It is an employer-elected program, and as such, key plan design and administrative decisions (including eligibility, COBRA applicability, and funding treatment) must be determined by the employer and/or their advisor.

Need More Information?

Contact your
Engagement Lead or
See Resources for
Benecon Cost Containment

Benecon Cost Containment Team

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