

Break the Cycle: Build Transparent Employee-Focused Health Plans

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Agency Principal/Broker
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Break the Cycle: Build Transparent, Employee-Focused Health Plans.

Presented by:

Rhett Robbins REBC®
REGISTERED EMPLOYEE BENEFITS CONSULTANT®



JUNE

2025



What You'll Get in the Next 35 Minutes

- 🏥 **Reality Check:**
Today's health plans are engineered to enrich everyone except you and your employees.
- 📊 **Data Drop:**
I'll uncover the hidden fees and broken incentives that turn a “benefit” into your Top 5 business expense line item.
- 🧭 **Navigation Hacks:**
See how smart care-navigation steers people to better doctors—higher outcomes with lower cost.
- ✅ **Fair-Price Playbook:**
Transparent pricing + top-quality providers = happier employees and lower cost.
- 💡 **Takeaway:**
Walk out with a roadmap to a transparent, employee-focused plan that's already working for company's from 10 to 500+ enrolled.





Why is your health plan is designed to benefit everyone **EXCEPT YOU & YOUR EMPLOYEES?**

Presented by:

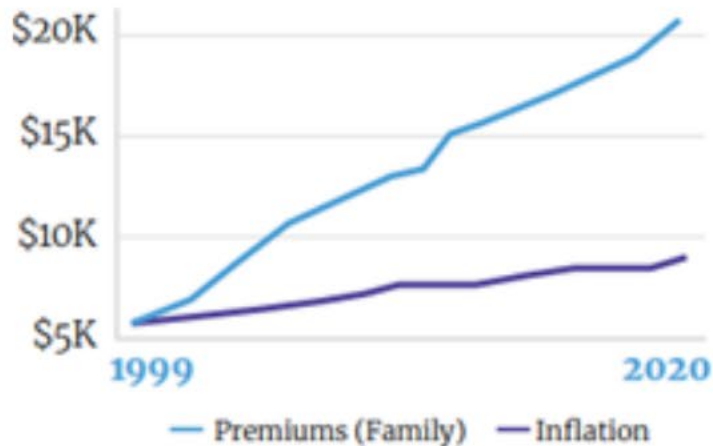
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2025

Do You Feel in Control of Your Healthcare Spend

Employer premiums rising far faster than inflation



Costs seem impossible to control

- Impenetrable and invisible – no data to make decisions
- Appears overwhelmingly complex
- After a bad year, costs increase. After a good year, costs stay the same (or increase)

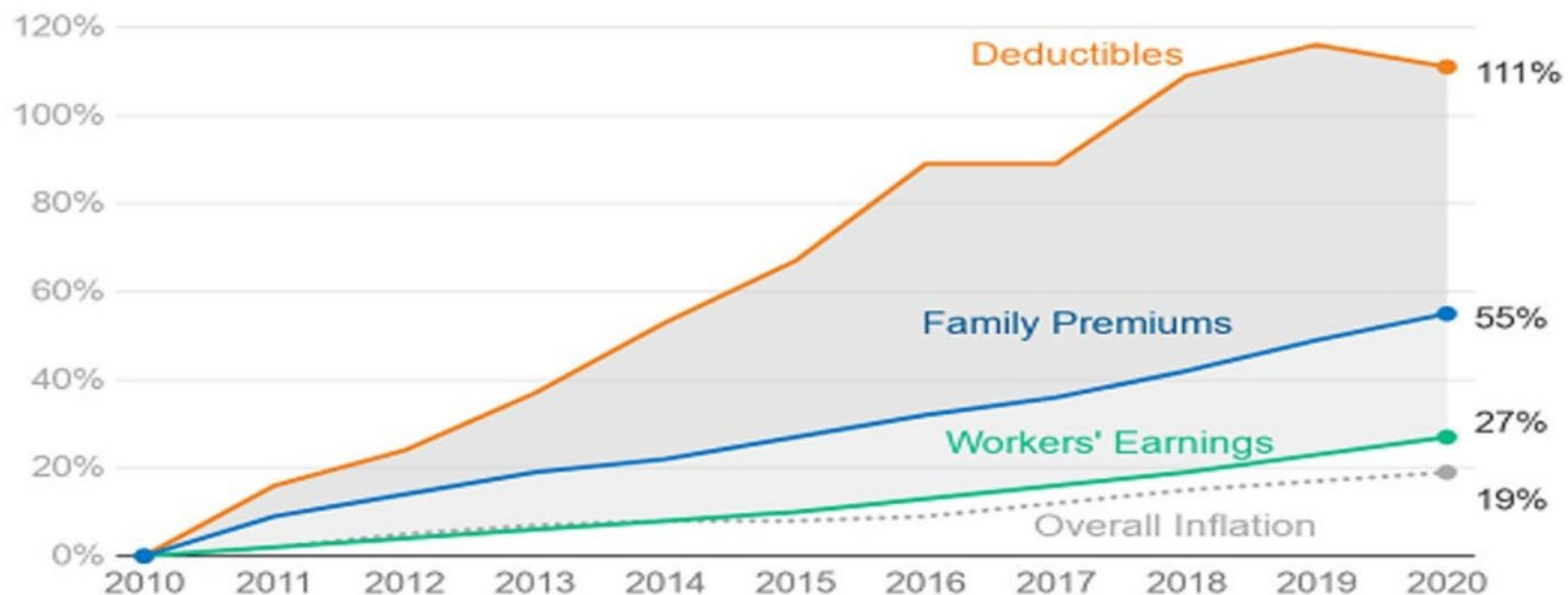
Leading to the “Healthcare Paradox”

IT IS WHAT IT IS

Despite healthcare often being the 2nd largest expense after payroll for many employers, it receives little scrutiny, while much smaller expenses are closely managed.

Premiums & Deductibles vs. Wages & Inflation

Employer Premiums and Deductibles Have Risen Much Faster than Wages Since 2010



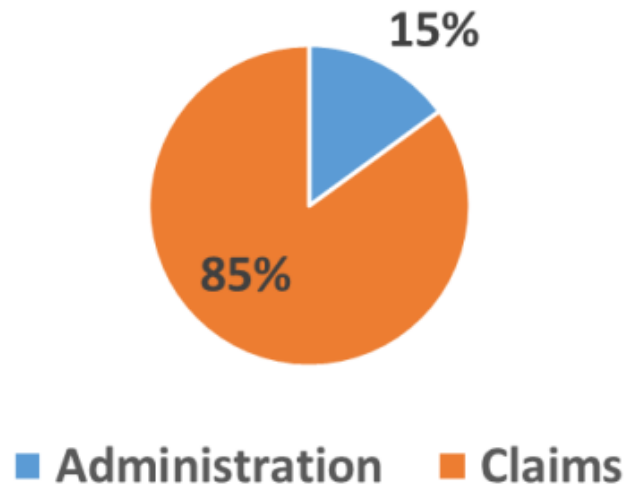
NOTE: Average general annual deductibles are for single coverage and are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

KFF

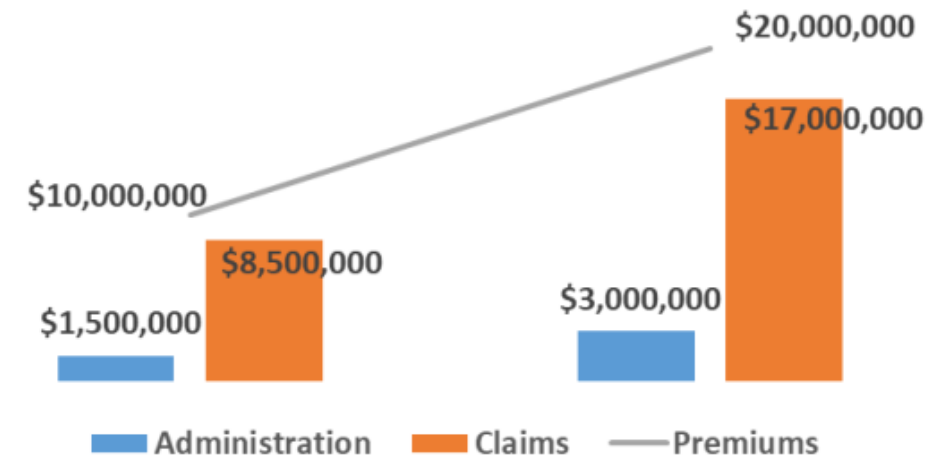
The Incentive Nobody Talks About

This Law motivates Insurance Company to Increase Claims.

Medical Loss Ratio- ACA Regulation



Premiums- Revenue to Insurance Company

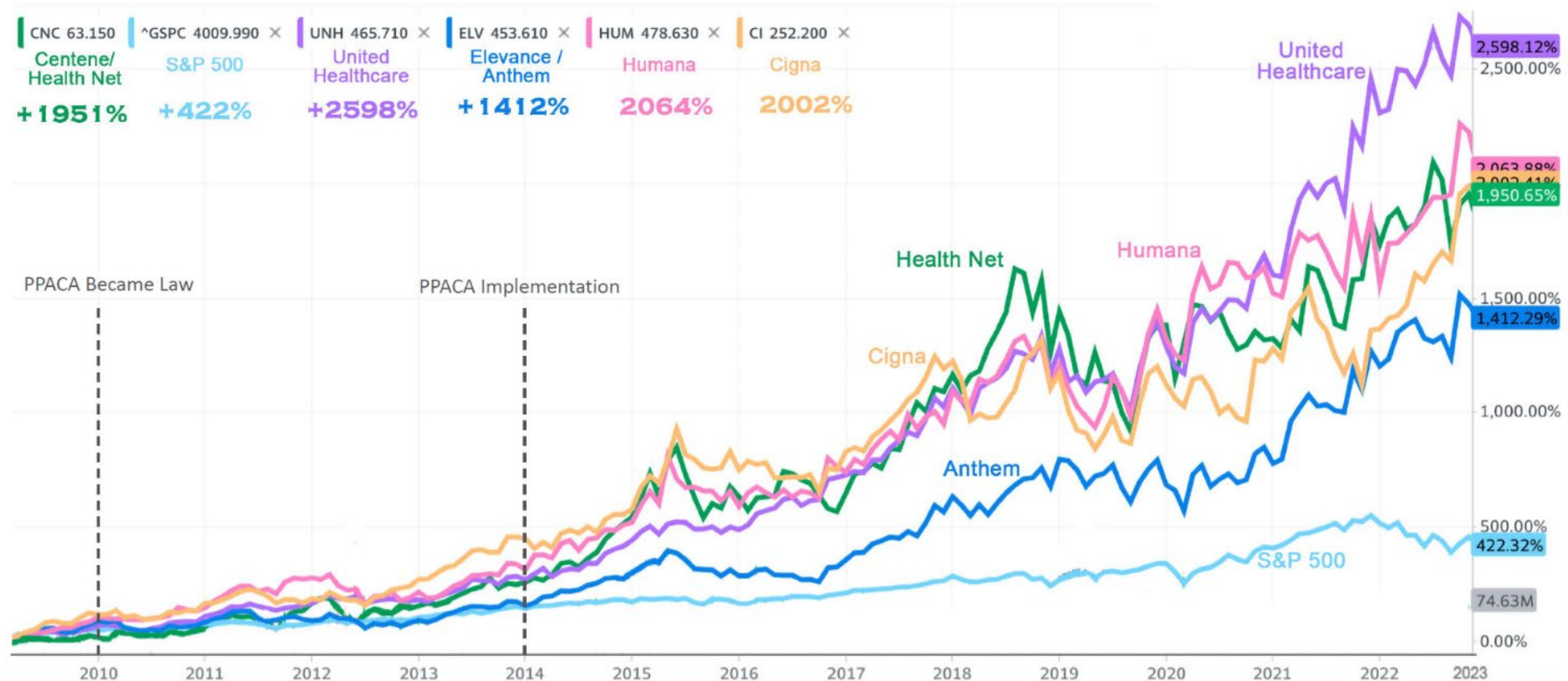


- MLR requires 85% of premiums to be paid as claims; conversely limits Admin to 15% of claims.
- When claims increase, Insurance Company revenue increases.

Premiums == Revenue for Carriers.

Source: Yahoo.Finance

Carrier Stock Prices Since 2009



Same Story - Simpler Visual

Carrier Stock Price Performance since 2010

	Stock Price 1/2010		Stock Price 2024	Percentage Increase
United Healthcare	\$24.52		\$553.94	2,598%
Elevance / Anthem	\$58.38		\$549.52	1,412%
Humana	\$44.43		\$520.79	2,064%
Cigna	\$33.71		\$365.71	2,002%
S&P 500				422%

Source: Yahoo/Finance

Future Cost of Premiums: Carriers Expect Premiums to Double in 7 years.

Small Group <50 EEs				Large Group >50		
	10%	ER Cost	EE Cost	ER Cost	EE Cost	% Difference
Y0 - 2025	\$550	\$275	\$275	\$275	\$275	0%
Y1 - 2026	\$605	\$303	\$303	\$312	\$293	6%
Y2 - 2027	\$666	\$333	\$333	\$373	\$293	27%
Y3 - 2028	\$732	\$366	\$366	\$439	\$293	50%
Y4 - 2029	\$805	\$403	\$403	\$512	\$293	75%
Y5 - 2030	\$886	\$443	\$443	\$593	\$293	102%
Y6 - 2031	\$974	\$487	\$487	\$681	\$293	133%
Y7 - 2032	\$1,072	\$536	\$536	\$779	\$293	166%
		ER Contribution based on 50%		ER Contribution based on ACA Affordability @ 9% Based on 52k Salary OR \$25/hr		

**Reps from Cigna, FLB, United and Aetna said fully insured premiums will double in 7-years.
NABIP Symposium 8/2023**

Sales Revenue Impact Calculator

Using 12.5% Profit Margin

Annualized Premium Increase	Revenue	Avg Sale \$50	Avg Sale \$100	Avg Sale \$200
\$5,000	\$40,000	800	400	200
\$10,000	\$80,000	1,600	800	400
\$20,000	\$160,000	3,200	1,600	800
\$30,000	\$240,000	4,800	2,400	1,200
\$40,000	\$320,000	6,400	3,200	1,600
\$50,000	\$400,000	8,000	4,000	2,000

\$6,600 increase based on 10 enrolled
(\$550 x 10%)x12= \$660 x 10 enrolled = \$6,600

The Compounding Effect

Use this calculator to understand how health insurance premium increases quietly erodes your profitability; and what it really takes to cover the cost through new revenue. This is the math your broker probably isn't showing you.



Example Calculation Annual Premium Increase: \$10,000 Company Profit Margin: 12.5%

Year	Cumulative Premium Increase each Year (\$)	Sales Needed to Offset (\$)
1	\$10,000	\$80,000
2	\$20,000	\$160,000
3	\$30,000	\$240,000
4	\$40,000	\$320,000
5	\$50,000	\$400,000

How Medical Expenses Hit YOUR Employees Wallets

Medical Expense	Monthly Cost	Pay Rate	Hours		40 Hrs / Weeks	30 Hrs / Weeks	25 Hrs / Weeks
\$1,000	\$83	\$20/hr = \$41,000 salary	50		1.3	1.7	2.0
\$3,000	\$250		150		3.8	5.0	6.0
\$5,000	\$417		250		6.3	8.3	10.0

Medical Expense	Monthly Cost	Pay Rate	Hours		40 Hrs / Weeks	30 Hrs / Weeks	25 Hrs / Weeks
\$1,000	\$83	\$25/hr = \$52,000 salary	40		1.0	1.3	1.6
\$3,000	\$250		120		3.0	4.0	4.8
\$5,000	\$417		200		5.0	6.7	8.0

Hours needed to be Offset Increase on Gross Pay - Not Take home Pay

Most Employees Can't Afford A \$1,000 Expense

How Much Do Americans Have in Savings by Age?

Exploring savings account balances by age group can show how different generations are preparing for their financial future.

Hover over each bar for a breakdown by age group.

Savings Account Balances by Generation



We're Spending More--Yet We're Getting Worse Outcomes

POOR HEALTH OUTCOMES

Leading causes of death in the U.S.

- 1 Heart disease
- 2 Cancer
- 3 Preventable medical mistakes
(10,000 preventable serious medical complications occur each day)

Status quo plans prevent you from getting your employees to the highest-quality care.

28%
of new cancer
diagnoses are
incorrect

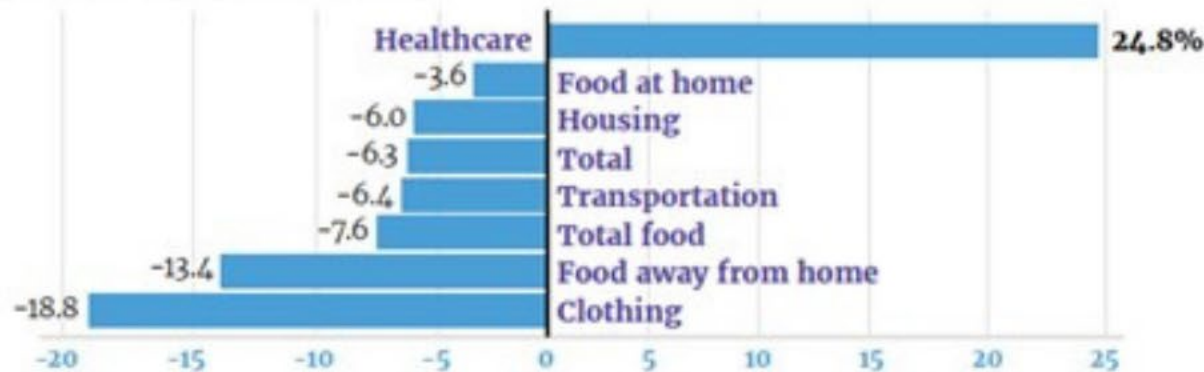
60%
of spine
surgeries are
unnecessary

60%
of bypass
surgeries are
unnecessary

SEVERE FINANCIAL STRESS

High premiums and out-of-pocket costs...

Percent change in middle-income households' spending on basic needs (2007-2014).



Lead to an agonizing decision

For many families, out-of-pocket expenses exceed on-hand savings.

61%
of insured
people have had
medical debt
in last five years

40%
of insured
people did not
access care
due to cost

Why The System Stays Broken

The System is set up to Protect Itself.



The 4 largest carriers made \$11 billion in profit in a single quarter (Q3 2022)



Misaligned incentives mean that insurance carriers and hospitals make money when you spend more on healthcare, not less



Information about your plan performance is deliberately impenetrable to avoid scrutiny

Can This Be Solved?

*Citations available at <http://www.healthrosetta.org/conversationguide>

Self-Assessment: Are You in Control?

- 1. Are your premiums going up every year?
(If so, you're paying more—for less.)*
- 2. Do you have clear visibility into how your benefits are actually used?
(If you're guessing... that's a red flag.)*
- 3. Are employees satisfied with their benefits?
(Or are they frustrated with high out-of-pocket costs?)*
- 4. Are you sticking with your current plan just because
"that's how we've always done it"?
(That's not tradition—that's a trap.)*

Traditional vs Managed Risk Plan Models

Traditional

✗ A plan that is built to benefit the status quo

- *Designed to maximize industry profits*
- *Misaligned incentives*
- *Hidden payments*

✗ A plan that is deliberately opaque

- *Intentionally complex and incomprehensible*
- *One-sided contract terms*

✗ A plan that gives you no influence over:

- *Where your money goes*
- *Quality of care provided*
- *The price you pay for care*

Managed

✓ A plan that's built to benefit you

- *Contracts at the best price*
- *Access to high-quality doctors*

✓ A plan that is fully transparent

- *The data and analysis you need*
- *Fewer conflicts of interest and one-sided contracts*

✓ A plan that delivers the best care

- *Care navigation for patients*
- *High-quality providers and facilities*
- *Fair and reasonable pricing*



Looks Great, but Can We Really Do This?

🧠 “Isn’t this only for Fortune 500 companies?”

❌ Not even close --- Companies with 10 to 500+ enrolled employees are doing this right now, -- successfully.

🤔 “Do we have enough employees enrolled?”

✅ Lower enrollment may narrow your options,— but it doesn’t disqualify you. There’s always a path forward with the right model.

😓 “Do we have the time or team to manage this?”

✅ Yes --- Managed risk plans don’t require a bigger HR team,— they need a smarter strategy and the right partner.



Is it Really Worth the Effort for You to Make the Change?

Your Business and Employees will be delighted in the new plan.

Benefits to Employer

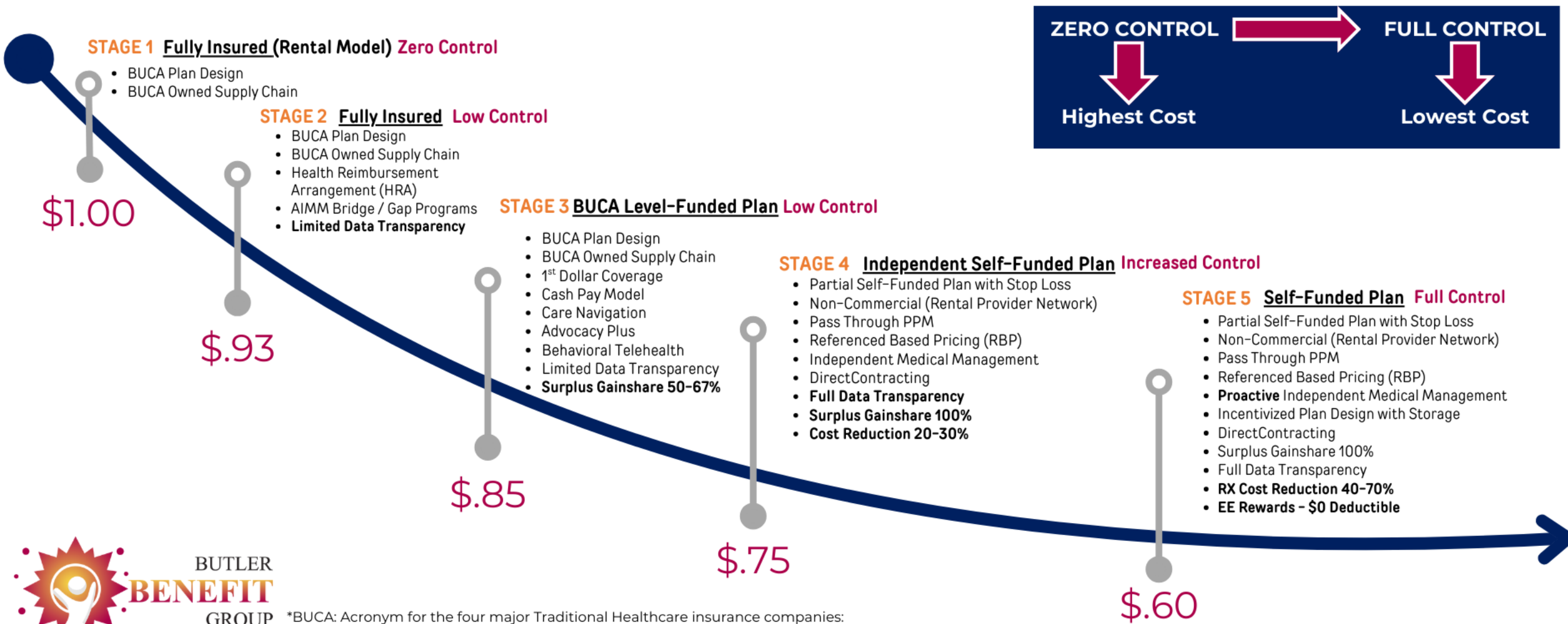
- ✓ Healthcare costs that are predictable and budgetable from year to year
- ✓ Ability to invest cost savings back into your business and employees
- ✓ High quality, affordable healthcare that leads to happier, higher-performing employees
- ✓ Substantial savings: 10 - 40% annually

Benefits to Employees

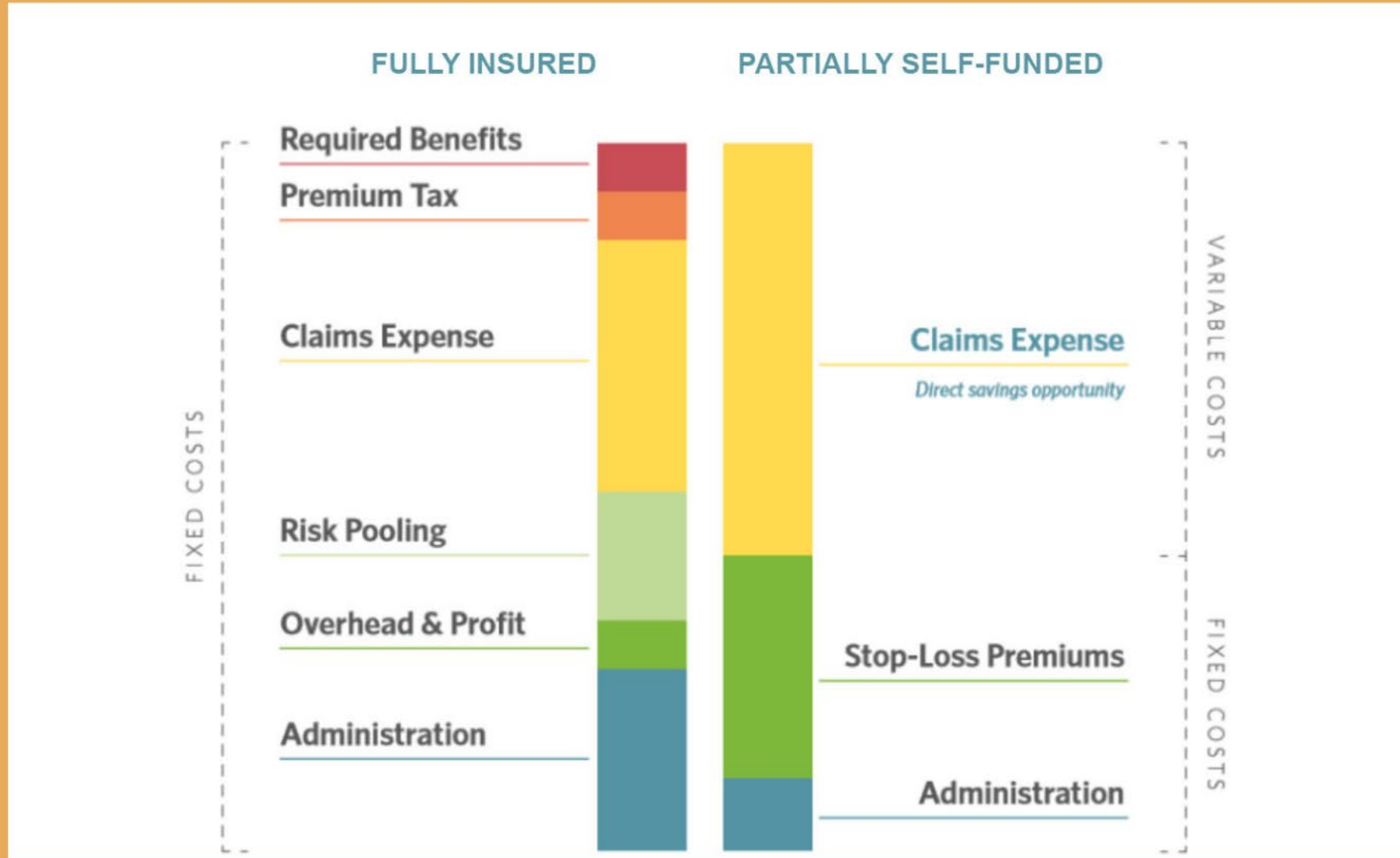
- ✓ Reduced financial stress from unsustainable healthcare costs
- ✓ Faster, better access to higher-quality care
- ✓ Reduce time spent navigating healthcare, thereby lowering stress
- ✓ More support and resources to make healthcare decisions

*Citations available at <http://www.healthrosetta.org/conversationguide>

The Solution Exists: Healthcare Purchasing Continuum

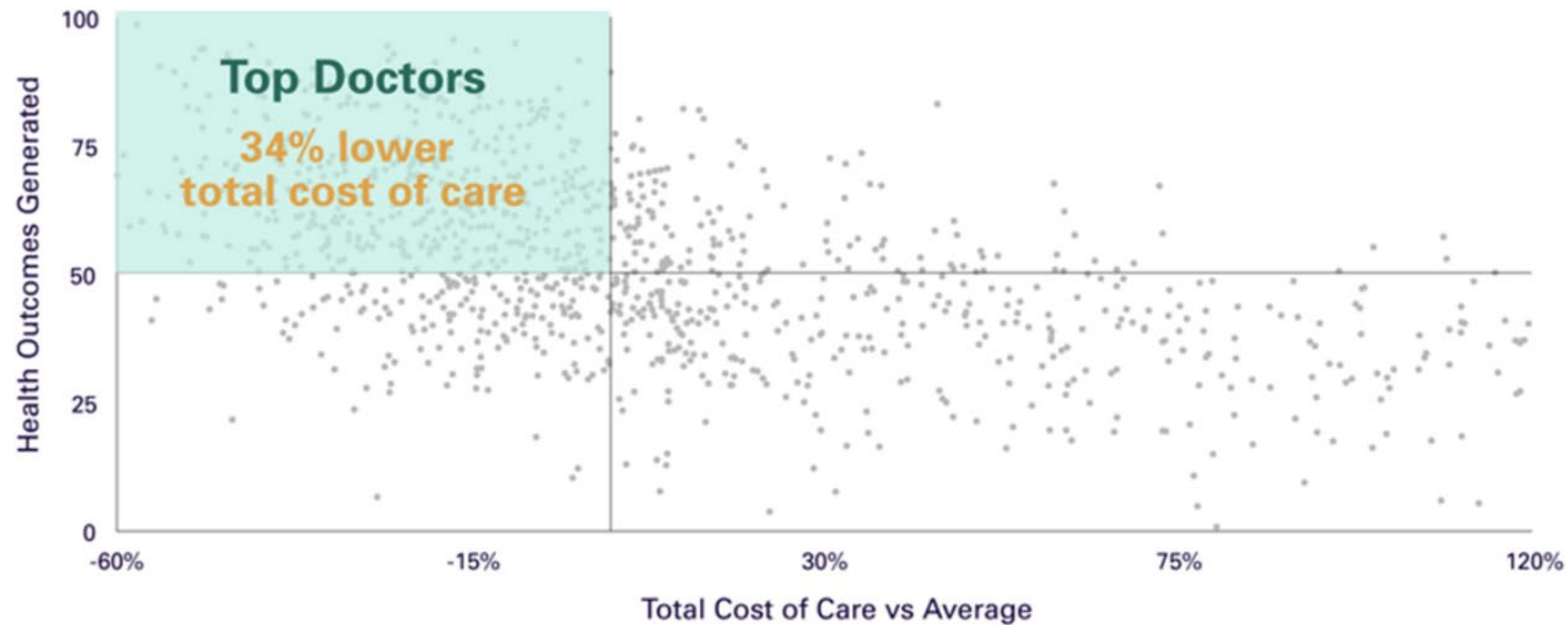


The Cost of Renting vs Owning Your Own Plan



Care Navigation == Real Savings

Doctor Quality vs Cost



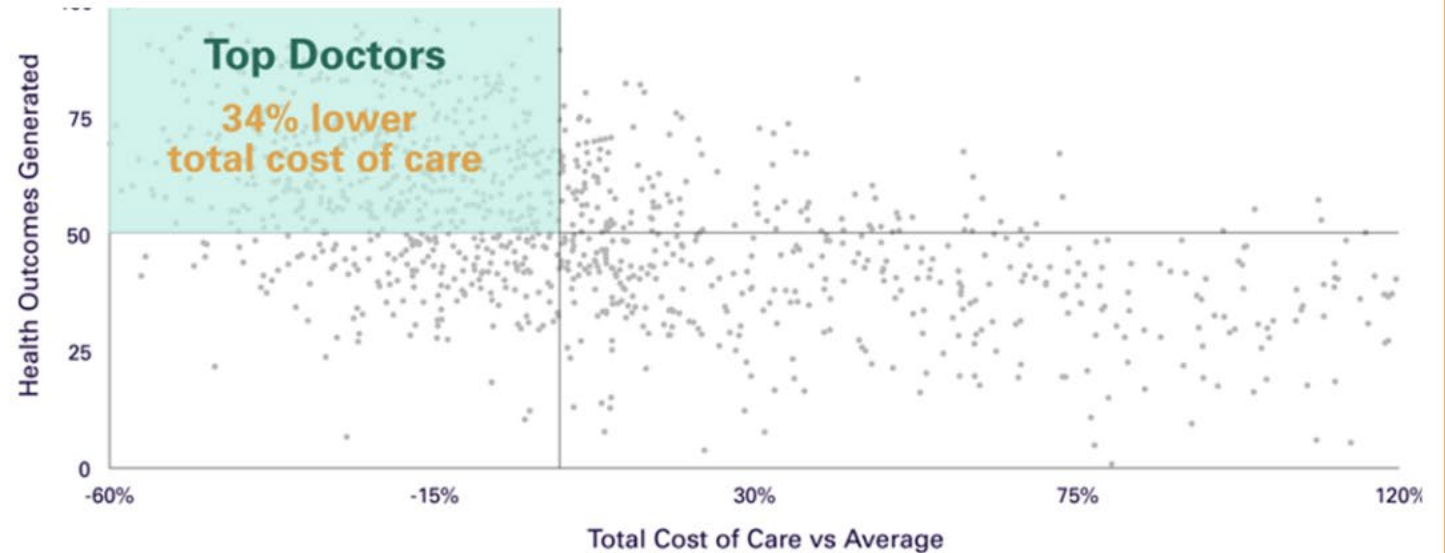
Source: Garner Health: Doctor Quality Analytics

Large Retailer vs the Smart Competitor

Employees have an Unlimited Company Credit Card



Doctor Quality vs Cost



Source: Garner Health: Doctor Quality Analytics

Normal Newborn (cpt 795)

The story and Role we Play

	Average Charge	50% PPO Discount	Highest Charge	Lowest Charge	CMS Ranking
Hospital #1	\$2,987	\$1,494	\$10,258	\$1,294	3-star
Hospital #2	\$5,297	\$2,649	\$7,626	\$3,222	2-star
Hospital #3	\$14,919	\$7,460	\$14,919	\$14,919	No-star

Source: Billy.app – CMS Hospital Ranking – CPT 795 – Zip 32746

Broken Toe – Broken Pricing

The story and Role we Play

	Average Charge	50% PPO Discount	Reported Cost	Medicare Pays	RBP Pays
Hospital #1	\$1,065	\$533	\$198	\$238	\$333.20
Hospital #2	\$2,756	\$1,378	\$328	\$229	\$320.60
Hospital #3	\$5,543	\$2,771	\$145	\$245	\$343.00

Source: 6 Degrees Health RBP Payment Data

How to Make the Shift

1

Strategize

- Gather and analyze available data, contracts and Plan Grade
- Decide how quickly to make changes
- Develop a multi-year action plan

2

Implement

- Choose vendors and sign contracts
- Create compliance and change management plan
- Engage and inform all plan members
- Launch data strategy and analytics

3

Optimize

- Conduct regular, comprehensive plan performance reviews
- Adjust and extend your multi-year plan
- Decide how to invest your Health Rosetta Dividend

Explore the possibility of a plan that will benefit you and your employees.

Next Steps:

Schedule time with us



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**Providing Peace of Mind when Migrating from a
Traditional plan to a Managed Risk plan.**

COMING UP NEXT!

General Session #6 2:45pm

***Conference Keynote Address
“Power Up Your Leadership”***

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