



## Cost Containment Without Compromise: A Broker's Playbook

Employers are facing a tough balancing act: offering competitive benefits while keeping healthcare costs in check. That's where you come in. As a benefits advisor, your role isn't just about finding cost savings. It's about delivering solutions that preserve value without cutting corners. Achieving the right mix of affordability, compliance, and employee satisfaction takes strategy, foresight, and execution.

With healthcare costs continuing to climb, businesses need more than a standard benefits package. They need a plan. This is where benefits consultants bring real value, providing cost-containment strategies that help businesses stay competitive, compliant, and financially stable. Brokers who proactively implement these solutions don't just save clients' money. They strengthen relationships, stand out in the market, and increase client retention. In fact, well-executed cost-containment strategies can reduce overall healthcare costs by as much as 20%<sup>1</sup>.

**Smart cost-containment strategies  
can slash healthcare expenses by up  
to 20%—without reducing benefits  
or compliance.**



### A SMARTER APPROACH TO COST CONTAINMENT

#### LEVEL-FUNDED PLANS: THE BEST OF BOTH WORLDS

Level-funded health plans offer a practical middle ground for employers looking to control healthcare costs. They provide the predictability of fully insured plans while allowing businesses to reap the savings potential of self-funding. It's no surprise their adoption is growing by 15% each year, particularly among small to mid-sized businesses that want more flexibility without taking on excessive risk<sup>2</sup>.

The challenge for employers is lowering healthcare costs without sacrificing benefits or predictability. Level-funded plans make that possible. They give businesses more control over expenses while avoiding the volatility of fully self-funded plans. With the right approach, such as analyzing claims data, adjusting funding strategies, and managing risk effectively, employers can cut costs while still offering strong benefits.

For brokers, this presents a major opportunity. Those who understand how to structure level-funded plans can guide clients through plan design, claims management, and stop-loss integration, delivering real financial impact. Success comes from a hands-on strategy that involves evaluating each client's risk tolerance, workforce demographics, and budget to determine if level funding is the right fit. It also means working closely with carriers and third-party administrators (TPAs) to create plans that align with business goals.



**Level-funded plans deliver predictable costs and significant savings, driving 15% annual growth among small and mid-sized businesses.**

The real value lies in ongoing engagement. Brokers who stay involved by monitoring claims data, fine-tuning funding strategies, and keeping clients ahead of compliance updates help employers maintain a sustainable, high-value benefits package. By taking an active role in managing level-funded plans, brokers ensure clients keep costs in check without compromising benefit quality.

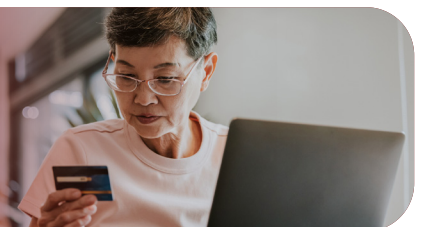
## **REFERENCE-BASED PRICING (RBP)**

One strategy gaining traction in cost containment is reference-based pricing (RBP). Some employers have successfully used it to rein in healthcare spending, with a 2023 study showing average savings of 20% and some seeing reductions as high as 30%<sup>3</sup>.

Unlike traditional plans that negotiate rates often far above Medicare benchmarks, RBP sets fixed reimbursement limits, typically tied to Medicare rates. This approach gives employers greater cost predictability while increasing pricing transparency. However, because RBP does not rely on a predefined provider network, employees may face balance billing if a provider charges more than the plan's reimbursement limit.

For brokers, guiding clients through RBP requires a strategic approach. The first step is identifying providers willing to accept reference-based pricing and helping employers understand both the potential savings and risks. Since RBP plans depend on a third-party administrator (TPA) to negotiate with providers and handle disputes, clients need a clear understanding of how those disputes are managed. Educating employees on balance billing protections and negotiation services can also help reduce unexpected costs.

**Reference-based pricing cuts employer healthcare costs by up to 30%—but success depends on proactive provider negotiation.**



By proactively addressing these challenges, brokers reinforce their role as trusted advisors. With the right guidance, employers can leverage RBP to control costs, improve pricing transparency, and stay compliant with affordability and minimum value requirements.

## INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENTS (ICHRAS)

ICHRAAs give employers a way to control costs while still offering employees access to health insurance. Instead of sponsoring a traditional group plan, employers reimburse employees for individual coverage, providing flexibility while staying compliant with ACA affordability requirements. From 2023 to 2024, ICHRA adoption grew by 29%, with large employers seeing an 84% increase<sup>4</sup>.

For many businesses, ICHRAAs offer cost predictability and greater plan choice. They can be particularly effective for small to mid-sized companies, employers with remote or multi-state workforces, or those looking for better budget control. Contributions are defined upfront, helping employers avoid unpredictable group premium hikes. Most contribute between \$300 and \$800 per employee per month, depending on industry and location<sup>5</sup>.

However, ICHRAAs aren't a fit for every employer. Their value depends on how individual health plan prices compare to small group rates. In some states, like Georgia, Ohio, and Colorado, lower individual premiums make ICHRAAs a cost-effective alternative<sup>6</sup>. But where individual plan costs run high, small group coverage may provide better value. Employers must evaluate regional insurance costs before deciding if an ICHRA makes financial sense.



**ICHRAAs put employers in control of benefits spending. Adoption jumped 29% last year, with large businesses seeing an 84% increase.**

Beyond cost, the employee experience matters. Choosing and managing individual coverage can feel overwhelming for those used to employer-sponsored group plans. Narrower provider networks may also limit access to preferred doctors and hospitals. Employees eligible for ACA subsidies may find an ICHRA less beneficial, making it a less attractive option in some cases.

When structured correctly, ICHRAAs can be a powerful cost-containment tool. Brokers who understand both group and individual markets can help clients make informed decisions, balancing cost, workforce needs, and regulatory requirements. While no single solution fits all, having a strong grasp of available strategies keeps brokers competitive and valuable to their clients.

## WELLNESS PROGRAMS: A STRATEGIC COST-CONTAINMENT TOOL

Wellness programs offer a proactive way for employers to promote healthier lifestyles while reducing healthcare costs. When structured effectively, they contribute to lower absenteeism, reduced claims, and higher workplace productivity. Research shows that for every dollar spent on wellness programs, companies can save up to \$3 through lower healthcare expenses and improved employee performance<sup>7</sup>.

Employers can integrate wellness initiatives into their benefits strategy by offering preventive care incentives, subsidized gym memberships, biometric screenings, and mental health resources. Well-designed programs encourage healthier habits and can lead to long-term savings. Incentives like premium discounts for completing health risk assessments or participating in wellness challenges help boost engagement and reinforce positive behaviors.

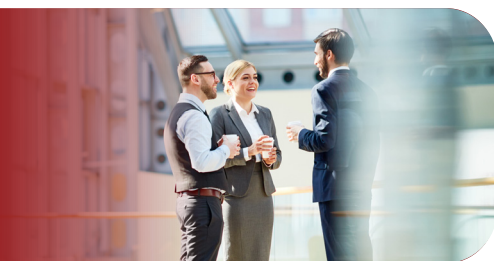
For brokers, wellness programs are a chance to add value beyond traditional plan management. Aligning these initiatives with broader cost-containment strategies helps employers create more sustainable benefits solutions. At the same time, ensuring compliance with ADA and GINA guidelines when offering financial incentives or premium discounts is key to avoiding regulatory issues while maximizing participation.

## CLEAR COMMUNICATION: THE KEY TO SUCCESS

Even the best cost-containment strategies fall flat if employees don't understand them. Clear communication is key. Help employers craft messaging that simplifies complex concepts, highlights the value of strategies like RBP and level-funded plans, and ensures employees know how to access resources for balance billing or claims disputes.

Making benefits information easy to find, whether through mobile apps, benefits portals, or straightforward explanations, improves engagement. A recent survey found that 78% of employees who received clear communication about their benefits reported higher job satisfaction<sup>8</sup>. When employees understand their options, they make better choices, leading to stronger participation and more effective cost control.

**Clear benefits communication boosts employee satisfaction, with 78% reporting higher job happiness when they understand their options.**



## BOTTOM LINE

Saving on benefits costs doesn't have to mean sacrificing compliance or quality. Today's clients expect more than a broker who simply manages renewals. They need a strategic partner who anticipates challenges, delivers innovative solutions, and provides proactive guidance. By leveraging ICHRAs, reference-based pricing, level-funded plans, and wellness programs, brokers can offer measurable savings while ensuring compliance is built into cost-containment efforts.

But cost containment is just one piece of the bigger picture. Success comes from having the right general agency partner, one that brings more than just products but real expertise, strong relationships, and hands-on support.

At CRC Benefits, we give brokers access to top-tier carrier partnerships, smart technology solutions, and a team of industry experts who understand what it takes to succeed. Our consultative approach helps brokers simplify compliance, build effective benefits strategies, and provide real value to their clients. With a dedicated compliance team, digital tools to streamline plan management and full-service broker support, we help you strengthen relationships and drive long-term growth.

Controlling costs is important, but so is making sure clients have a sustainable, high-value benefits strategy. The right partner makes all the difference. Reach out to your local CRC Benefits team today to see how we can help you succeed.

## CONTRIBUTOR

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## END NOTES

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