

Why CFOs and CEOs Are Losing Patience with Healthcare Costs — And Why Many Still Struggle to Consider a Different Path

For many CFOs and CEOs, healthcare spend has become a financial blind spot—not because they’re unaware of rising costs, but because they’ve grown dependent on a long-standing broker relationship that *feels* reliable and familiar. The broker has been with the company for years, knows the players, shows up at renewal, and provides what appears to be “acceptable service.” And, as long as the experience feels competent, leaders assume the outcomes must be acceptable too.

But familiarity can mask complacency, and comfort can obscure the fact that year after year, organizations are absorbing increases that would never be tolerated from any other vendor relationship.

The CFO and CEO Paradox

Senior leaders are responsible for:

- Protecting margins
- Ensuring predictability
- Managing risk
- Allocating capital effectively
- Supporting talent retention and employee wellbeing

Yet, healthcare has become the only major expense category where:

- Costs increase without a strategic explanation
- Vendor performance is rarely challenged and held accountable
- Transparency into cost drivers is limited
- The process is dictated by the market, not leadership goals

No CFO would accept this dynamic in IT, logistics, consulting, or any other high-cost vendor relationship. But in healthcare, acceptance has replaced accountability.

Why Many Leaders Resist Exploring New Perspectives - A lack of engagement with new brokers or alternative strategies isn’t indifference, its rational caution shaped by years of conditioning.

Leaders hesitate because:

- **Switching feels costly—even when staying is costlier.** Concerns about employee disruption and operational friction often overshadow the long-term financial impact of doing nothing.

- **Past “innovations” didn’t move the needle.** Executives have heard pitches promising something better, only to receive the same spreadsheet and the same renewal increase.
- **Healthcare feels like a black box.** Without access to claims data or real transparency, leaders assume alternative models may introduce risk rather than reduce it.
- **Loyalty feels safer than scrutiny.** A long-standing broker relationship creates emotional, not financial, certainty.
- **The industry has quietly taught employers not to expect control.** If you’re told repeatedly that “healthcare costs are unmanageable,” eventually you stop questioning it. But none of these beliefs reflect the reality of what forward-thinking employers are achieving today.

The Financial Reality: Doing Nothing *Is* a Strategy—Just Not a Good One - Every renewal cycle is a financial decision. Choosing not to explore alternatives is effectively choosing:

- Higher premiums
- Lower-value benefits
- Increased employee cost burden
- Budgetary unpredictability
- Margin compression
- Greater turnover risk

CFOs would never allow unmanaged increases in workers compensation, technology investments, or vendor contracts. Yet healthcare often escapes the scrutiny applied everywhere else.

What Forward-Thinking Leadership Teams Are Doing Differently - Leading CFOs and CEOs are now demanding:

- ✓ **True claims transparency** - No more blind budgeting or vague renewal justifications.
- ✓ **Accountability and measurable performance** - Partners who proactively manage risk—not just react to rates.
- ✓ **A multi-year strategic roadmap** - Healthcare treated as a managed financial strategy, not a once-a-year event.
- ✓ **Cost management at the source** - Clinical oversight, steerage, navigation, specialty drug strategies—real levers with real impact.
- ✓ **Predictable, stable budgets** - Because volatility in healthcare shouldn’t jeopardize financial planning or employee satisfaction. These leaders aren’t switching brokers for the sake of change. They’re moving because they’ve realized something critical: **Staying the same is now the riskier choice.**

What CEOs and CFOs Need to Ask Today

The shift begins with a few simple but powerful questions:

1. *Why do we lack visibility into our largest unpredictable expense?*
2. *Why are we relying on a process that only happens once a year?*
3. *Why haven't we been shown strategies that address the real cost drivers?*
4. *Why have we accepted a model where rising costs increase intermediaries' compensation?*
5. *What is the financial consequence of inaction over the next three to five years?*

These are leadership questions, not HR questions. And they require leadership answers.

The Bottom Line - Healthcare spend is not inherently uncontrollable.

It's simply **been left unmanaged under a model that lacks transparency, alignment, and accountability**. CFOs and CEOs who challenge this paradigm aren't just buying insurance differently, they're **managing risk differently**. They're reclaiming visibility, control, and predictability over a category that has been on autopilot for too long.

The question is no longer: **"Should we change brokers?"**

The real question is: **"Are we willing to continue accepting a model that jeopardizes margins, financial stability, and employee wellbeing simply because the relationship feels familiar?"**

Exploring new perspectives doesn't commit you to change. But doing nothing commits you to the same outcomes.

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