4sight Health Roundup Podcast
Yes, Employers, You Can Do Something About Rising Healthcare Costs
9/18/25

David Burda:
Welcome to the 4sight Health Roundup podcast, 4sight Health's podcast series for healthcare revolutionaries, outcomes matter customers, count and value rules. Hello again, everyone. This is Dave Burda, news editor, 4sight Health. It is Thursday, September 18th. We're still not gonna talk about the Epstein files on today's show, but we are gonna talk about employer healthcare costs and what employers and employees can do about it. We can talk about it freely because we here on the Roundup are staunch supporters of the First Amendment rights of freedom of speech, and freedom of the press to freely express their views on employer healthcare costs are Dave Johnson, founder and CEO 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi Dave. Hi Julie. How you doing this morning, Dave?

David W. Johnson:
Overall doing great but a little tired, a little punchy. Just got back from a five and a half hour drive last night from Cincinnati, where I spent the last couple of days at the Common Spirits Health at Home Leadership Conference. Fantastic event, great energy. Loved being there. I also wanted to give a shout out to my brother, Doug. It's his birthday today. Happy birthday, Doug.

Burda:
Happy birthday, Doug. That's great. Old birthday. How old is Doug?

Johnson:
That's a state secret, Dave.

Burda:
Okay. Yeah. Yeah. OK.

Johnson:
Older than you are.

Burda:
Oh, okay. Well, that's old then. <Laugh>. <laugh> Julie, how are you?

Julie Murchinson:
I'm well. I'm in New York this week with my team and a number of the companies that we partner with, and it's been a very inspiring week, that's for sure.

Burda:
Well, if you can make it there, you can make it anywhere, right?

Murchinson:
That's right.

Burda:
All right. Now, before we talk about the cost of health insurance next year, let's talk about cheeseburgers. Yes. Cheeseburgers. If you didn't know, today is National Cheeseburger Day for

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All who celebrate Dave, you're a vegan or a vegetarian, right? When's the last time you had a real cheeseburger, you know, with ground beef cheese from a cow on a highly processed bun? And do you remember where you were when you had it?

Johnson:
Well, it had to be in 2011. And I have no memory of that. I haven't eaten meat of any kind since 2011. But I will celebrate national Cheeseburger Day. Thank you for bringing it to my attention, Dave, by listening to Jimmy Buffet's cheeseburger and Paradise song. Today, you know, <Laugh>, I like mine with lettuce and tomato Hez 57 and French fried potatoes, da da da <laugh>.

Murchinson:
Oh my Goodness.

Burda:
Oh, that's wonderful. Thanks, Dave. Julie, how about you? When's the last time you had a real cheeseburger, and what were the circumstances?

Murchinson:
First of all, I can't believe you don't eat meat, Dave. I didn't know that about you after all these years, but first of all, I don't eat cheeseburgers. I eat hamburgers.

Burda:
Okay.

Murchinson:
Which, you know, there's, there is a difference there. People are devout about their cheese. And my burger consumption comes from one of three places: In & Out, just 'cause it, like, it's so nostalgic for me. <affirmative>. Shake Shack because my kids have caused me to love that place.

Murchinson:
And this amazing little place on Mercer Allen called Haps', which is like a quaint old gas station that's been converted into like a burger shop. So I don't eat a lot of burgers, but if I'm gonna do it, that's one of my three steps.

Burda:
Ah, I'm gonna have to transcribe this and put it in a file somewhere. <Laugh>. Those are good choices. The first time I went to Los Angeles, everybody said I have to have a Tommy's Chili cheeseburger which I, which I did, and I'm still trying to digest it, but <laugh> that's a number of years ago.

Johnson:
Bet you had the chili dripping down from your chin.

Burda:

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It was quite a mess. But the last cheeseburger that I had was just on Sunday. My wife ordered the number seven meal from McDonald's. And if you don't know what a number seven is, that's two cheeseburgers, fries, and a pop. She didn't eat the second cheeseburger offered it to me and I graciously accepted with some leftover fries. And there you have it. I'm not as particular as you, Julie. And now I'm hungry. So yes, let's get onto our topic, because the lunch menu at McDonald's opens at 11 o'clock. It's almost fall. So, it's the season for benefit consulting firms to release their annual predictions for increases in employer healthcare costs next year as people sign up for coverage and find out how much they have to pay for it. I'm gonna share the top line findings of several reports and get your reaction. Here goes. PWC released its annual health plan medical cost report in July. It said, health plan medical costs will rise 8.5% next year for group plans and 7.5% for individual plans. The business group on Health released the results of its annual employer healthcare strategy survey in August. It said employers healthcare costs would rise 9% next year absent any health plan designed by employers. Mercer released the results of its annual national survey of employer sponsored health plans earlier this month. Mercer said the total health benefit costs per employee would rise 9% next year absent any health plan redesigned by employers. Aon released the results of its annual survey of employer healthcare costs last week and said, employer healthcare costs per employee will rise 9.5 next year, absent any actions by employers. On top of all that, let's throw in an 18% increase in the median premium or a CA plans bought over federal and state health insurance exchanges. That's according to a report from the Kaiser Family Foundation released last month. And there's lots of blame going around. Topping the list are higher prices charged by providers, higher utilization of medical services by consumers, higher drug costs, and everyone's favorite. The cost of covering GLP one drugs. The benefit consulting firms, of course, are self interested. They want employers to hire them to manage their health benefits. But Dave, what if employers hired you to manage their health benefits? What are one or two things you would do to bring those big increases back to reality?

Johnson:

<Laugh>. They are big. The Journal had an article on this last week that got my attention. The WTW, Willis Towers Watson sounds like a public radio station. <Laugh>, yeah. Do we have those anymore? But anyway, the WTW survey is saying we're gonna see the highest rate increases in since 2011, in 2026. So 15 years. That's coming on top of above inflation increases the last two years. And so we're looking at somewhere in the neighborhood of 28 grand for a family plan. And that's without tariffs. Just kidding, just kidding. So these are massive, massive numbers. I love the quote in the journal article from Sean Greminger who is Mike Thompson's replacement at the National Alliance of Healthcare Purchaser Coalitions, who are right in the bullseye of these increases. And he said, the reaction from employers to these increases ranges between upset, shocked, freaked out, and resigned <laugh>. Well, you know what? Employers, it's time to put on your big boy and big girl pants and actually become better buyers of healthcare services. Demand more value for your purchasing. So you, you've hired DJ Consulting to come in. It's the first thing's gonna be a tough love lesson. It's not enough to just change plans. You have to actually change your approach. So number one, get a transparent PBM, you know, the big three have been ripping you off for years. Go to transparent PBM. Your employees are gonna love it. It'll save you money. And then there are all kinds of new models coming out that are digital first platforms that flood the zone with primary care, that have prearranged contracts for specific procedures with, with high value providers. Some plans you know, have all the primary

care you want. And then the company pays for high deductible plans for their, their employees. So you, you know, you can get access when you needed at more reasonable prices. But basically <laugh>, you know, just stop it. You know, just stop doing it. I understand that providers in many markets have monopoly pricing power, and they use it. I also understand that many markets payers have monopsony pricing power, and they use it. You know, you've heard me say time and again, upcoding and denials are different sides of the same coin. So a pox on both their houses and revenue cycle is fueling a lot of this increase. You know, it, it's, nobody's really looking for value. They're just trying to figure out how to play the game better. How to do denials better, how to, how to up code, how to get more payment for whatever services you're providing. It's, it's not a value-based equation at all. And to the payers and providers out there listening what's happening is these price increases are putting, it's the equivalent of, of putting more air into an already overinflated balloon. And it's starting to pop. And, you know, as Bob Dylan said, a hard rain's gonna fall because the value for these prices is almost non-existent, right? We've got self-insured employers paying premium prices for largely commodity services. And I think the marketplace overall is starting to organize in ways to really deliver value to self-insured employers. So stop whining, start figuring out how to become better buyers and do it for yourself. Do it for your employees. Do it for your country. This, this is just nonsense.

Burda:
Yeah. The solutions are out there, right? You just have to reach out and grab 'em. Thanks Dave. Julie, any questions for Dave?

Murchinson:
<laugh> We're gonna say a lot of the same things today. But I didn't hear you talk about GLP ones at all in this. How worried are you that GLP ones will continue to be such a big cost driver with the, you know, risk of compounding pharmacies today and the fact that pills are like now out and coming down the pike? Are we just in some innovation bubble around this? Or is this gonna continue to be a massive cost driver?

Johnson:
Yeah, well, it, yeah, you're right. I mean, Lily was out with a trial this week on pill form of GLP1. And it evidently in, in the trial with diabetes patients lowered blood sugar more and increased weight loss more than the injectable forms, and it's a pill, right? <Laugh>. So though people are freaked out about, you know, taking injections now, we'll have an easy way to do this. How do I look at this? I think the GLP one is another version of the auto helm. Oh, you know, where oh,

Burda:
That's Alzheimer's, right?

Johnson:
Yeah. It was drug that forced Medicare to actually increase its projections for spending. It turned out to be a crappy drug. And so the problem to some extent went away, partly because employers refuse to pay for it. Here we have very good drug, but with the same type of mass market appeal, and we know the manufacturing costs of doing this are really inexpensive. So the you know, what, what, what economists call the supplier surplus is enormous, astronomical extortionary

even. And I just don't think we can have this type of event come into the system with without some breaks being put on one way or the other. I think if the industry were smart, it would try to be proactive in designing what, how to blunt the financial costs of drugs coming in.bThere's just no way that we can meet the demand at the current pricing levels and something's gonna give.

Burda:
Thanks Dave. Julie, I'm just glad you said coming down the pike versus coming down the pipe.

Murchinson:
The pipe <laugh>, I'm not good with these things.

Burda:
Don't get me started on champing versus chomping on the bit. So all right. It is your turn <laugh> instead of employers hiring PWC Mercer or Aon, they hire you. What are the one or two things you would do to bring those projected cost increases down to earth?

Murchinson:
Well, first, just to set a little context, I had breakfast with Brent Palecki, who's the chief health officer of Wells Fargo, Monday. He is an amazing guy and one of those leaders in the, you know, the employer space who's so thoughtful. And it just sounds like blocking and tackling going on out there with employers, it's not, it's not a happy scene. And every blues plan I've talked to in the last two to three months around the country, everywhere seems to be in some sort of state of shock about the dramatic rise in cost trend and what they're gonna do about it. And like, you know, you hear all the time, well, health systems are now using AI to, to charge more well, okay. And health systems are jacking rates. Well, that's definitely happening in, in some areas for sure. And GLP 1, those are the three things I hear all the time. So I think what we're talking about today is kind of right on. First, I'm like, with Dave. A quarter of our healthcare spend in 2024 was on pharmacy, and employers are anticipating another 11 to 12% increase this year and next year. So we've gotta move beyond plan design. And I would also take a hard look at my PBM and how to put a more transparent solution in place that basically doesn't even just reduce reliance on rebates, like gets rid of that rebate game and all the kind of op pricing. And I know that this alone won't solve the problem, but employers can control this and they can put themselves in a better position. And yes, should they be also advocating government? Sure. I keep doing that too. I personally am not so sure that Trump's not gonna whiff again on, you know, drug prices and Trump too. But I would absolutely go down that road. So Dave, great minds. Second, cancer continues to be the top condition that's driving healthcare costs. And, you know, we're just seeing continued increase in cancer diagnoses and, you know, continued increase in the cost of treatment. So if I were in the seat, I mean, I wouldn't say that I would focus on cancer alone, but cancer is one of the most sophisticated disease states and, you know, all parts of our system working together in cancer, well, not together, but working on cancer. So things, whatever you could deploy in cancer, you could largely replicate in a lot of other areas. And I'm seeing a lot of employers turning towards better navigation tools and centers of excellence. And it looks like about half the employers are offering a centers of excellence product next year in 2026, and another quarter are considering doing so by 2028. So the Centers of Excellence concept is getting a lot of play again, and we go through waves of this. So between this and high performance network models you know, it seems like you could actually impact a

lot. Employers are definitely getting more serious about screening, covering screenings you know, getting rid of age requirements funding alternative screenings, like alternatives to colonoscopies. So there's a lot they can do there too. But I guess I would say that the technology exists today to more personally navigate everybody towards the types of solutions that are also available on the market. So I know I'm gonna date myself a little bit here, but I know that the two of you know this reference as a $6 million man said we have the technology <laugh>.

Johnson:
How much would the $6 million man cost today? That's the…

Burda:
Oh my God, I can't imagine. We can, we can make him better than before, right?

Murchinson:
We can build it <laugh>. That's right.

Burda:
That's right. Yeah. Use your purchasing power and be smart, right? It's not that complicated. Thanks, Julie. Dave, any questions for Julie?

Johnson:
Well, I'm gonna ask Julie, who the greater villain is payers or providers, but as you were going through your list of new technologies on diagnostics, Julie, I wonder if you're seeing anything on radiopharmaceuticals? I think that we may be on the cusp of being able, for example, in cancer, using the radiopharmaceuticals to light up the entire body, identify every tumor, and then as the treatment goes on look at effectiveness after each each treatment as opposed to the way we do it now, where you get blasted with chemo or radiation for six treatments, and then see whether or not they're, they're working.

Murchinson:
I do think that that whole area leads us towards personalization in a very kind of practical way, right? So yeah, I definitely have faith that that's going to get us much farther. I'm also seeing on kind of my side of the fence things like Function Health, just launching their full body MRI as part of their offering. So you're gonna start to see, you know, full body identification and then to your point, radiopharmaceuticals to get more personalized specific treatment.

Johnson:
Alright, but Julia, I can't lay you off the hook if you're gonna, if you're gonna, blame who gets more of it? Payers or providers or is it a pox on both their houses, like I said?

Murchinson:
Listen Dave, you know that I'm not in the blame game, but let me remind you of my favorite quote from the aftermath of the Brian Thompson murder. No, snowflake is responsible for the avalanche. So on the health system side, like, you know, so health systems are using AI to boost revenue. Is it fraudulent? No. Like AI is bringing to their attention all the under billing they've been doing for years. So they have every right to use tools like that. And what I see happening is

transparency is coming our way. We're seeing we're gonna see more and we're gonna see it faster. So, you know, whether that's health plans or health systems or pharmaceutical companies or how we're gonna be in a kind of a different playing field. I personally would love to see health plans, you know, engage more. Engagement would go a long way. And the technology exists to do that as well.

Burda:
I may have to rethink my approach to cheeseburgers, <laugh>. Maybe the number seven's off the table now. We'll see. Now let's talk about other big healthcare news that happened this week. Julie, what else happened this week that we should know about?

Murchinson:
Well, I know not everyone's probably following this, but yesterday the NCQA announced Vivec Garg as the new CEO. And if you don't know Vivek, he's an, an incredible mission oriented physician leader who's been at Humana and, you know, many of the small innovative health plans and care delivery models. And he's just such an incredible person, so I can't wait to watch him work.

Burda:
Yeah, I saw that. Great choice. Dave, what's your big story of the week?

Johnson:
Oh, I can't take my eyes off. The shootout at the CDC corral <laugh>, Susan Menarez was in Congress testifying this week that RFK was trying to get her to pre-accept all of his vaccine recommendations. You know, the panel is gonna come out with their recommendations. None of it seems to be based on real science. So that's going on. And just to add cruelty to the mix the CDC is forcing all its workers to come back and work in the building even after the attack on the building last month. So you know, I don't know what's going on there, but it's, it's like watching catastrophe in real time unfold before our eyes. So there you go.

Burda:
Yeah. What I did after that I downloaded the vaccine schedule for infants, children, adolescents, and adults, and I have that now hanging on my wall on paper, Dave, I'm sorry, but you know, how long is that gonna be available? Right. So I would urge everyone to do that before it disappears. So thanks Dave, and thanks Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. You also can subscribe to the roundup on Spotify, Apple Podcast, YouTube, or wherever you listen to your favorite podcast. Don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.