



EMPLOYERS' FORUM OF INDIANA

All-Stakeholder Meeting

February 18, 2026

Welcome



Candace Shaffer
Purdue University & EFI Board of Directors

AGENDA



Welcome (1:00 – 1:05)

Candace Shaffer, Purdue University, EFI Board of Directors



State of Healthcare in the U.S. (1:05 – 1:45)

Eric Bricker, MD, Chief Medical Officer, AHealthcareZ



How Employers Are Addressing The Current Healthcare Environment (1:45 – 2:25)

Moderator: Randa Deaton, President & CEO, Employers' Forum of Indiana

Jim Evans, Chief Financial Officer, Concord Community Schools

Kate Fisher, Senior Director of Total Rewards and Wellness, Cummins Inc

Kevin Mospan, Director of Benefits, University of Notre Dame



Conclusion (2:25 – 2:30)

Christan Royer, Indiana University, EFI Board of Directors

EFI's Mission and Strategic Priorities



Advancing Health Policy



Driving High Value Markets



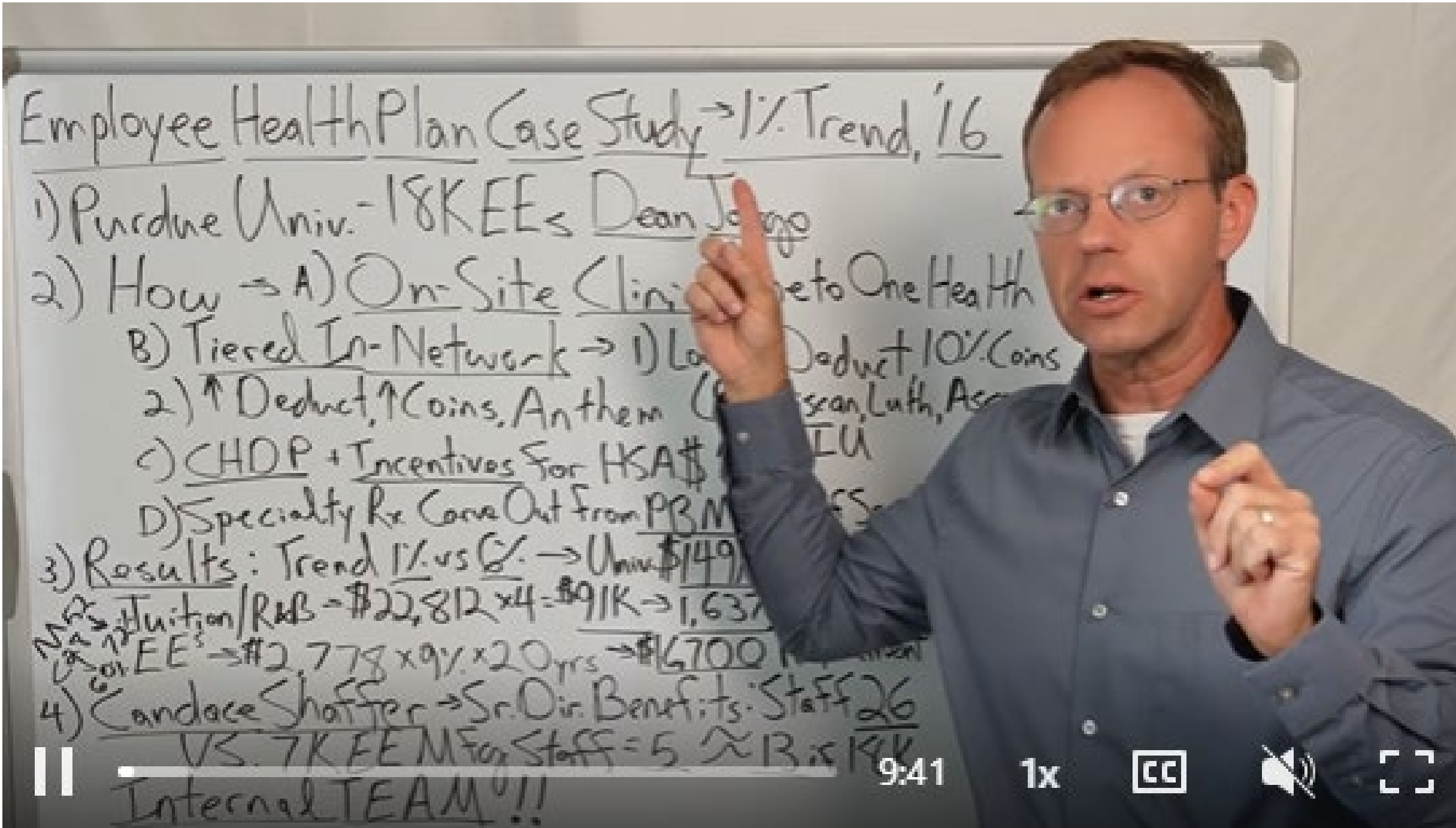
**Educating employers and
elevating their voices**



Strengthening EFI's Movement

State of Healthcare in the U.S.

Dr. Eric Bricker
AHealthcareZ



Employee Health Plan Case Study → 1% Trend, '16

- 1) Purdue Univ. - 18K EEs Dean Jorgo
- 2) How → A) On-Site Clinic → One Health
B) Tiered In-Network → 1) Low Deduct 10% Coins
2) ↑ Deduct, ↑ Coins, Anthem (Pursuant, Luth, Asc
C) CHOP + Incentives for HSA\$ IU
D) Specialty Rx Come Out from PBM ES
- 3) Results: Trend 1% vs 6% → Univ \$149
Tuition/R&B = \$22,812 x 4 = \$91K → 1,637
EEs → \$2,778 x 9% x 20 yrs → \$6,700
4) Candace Shaffer → Sr. Dir. Benefits: Staff 26
VS. 7K EEM For Staff = 5 ≈ 13.5K
Internal TEAM!!

9:41 1x CC

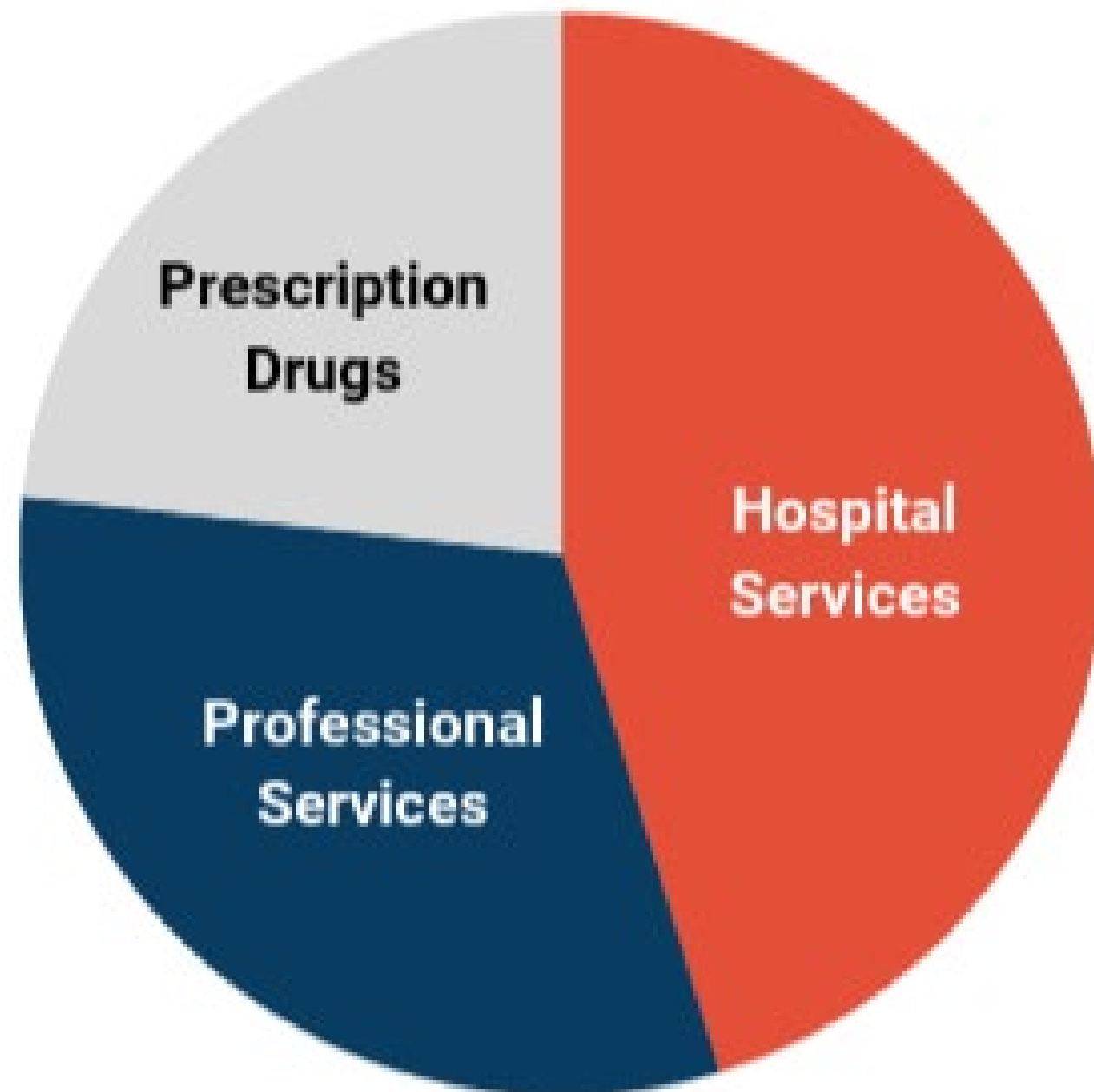
Background

1. Hospital Finance Consultant: Cleveland Clinic, Yale, U. Kansas
2. MD: U. Illinois Chicago | Residency: Internal Medicine Johns Hopkins
3. Hospitalist: Baylor Scott & White Health Plano, TX
4. Co-Founder, Chief Medical Officer Compass Professional Health Svcs:
Navigation for 2,000 Employer Clients, 1.8 Million Members '07 –'18
5. AHealthcareZ: 500+ Healthcare Finance Educational Videos, 140,000+
Subscribers/Followers across YouTube and LinkedIn
6. Board of Directors: Frontier Direct Care
7. Independent Consultant: Employers, Investment & Digital Health Firms

6 Healthcare Punchlines for 2026

1. Hospitals are the main cost driver for employer plans.
2. Labor is the main cost driver for hospitals.
3. Insurance Carriers negotiate low payments for Medicare Advantage and high payments for employers.
4. Insurance Carriers make much more profit on Medicare Advantage than employer plans.
5. Not-for-Profit hospitals make just as much profit as For-Profit hospitals... at employers' expense.
6. There is little competition in the marketplace, but there are strategies employers can use to help themselves.

Employer Cost Breakdown

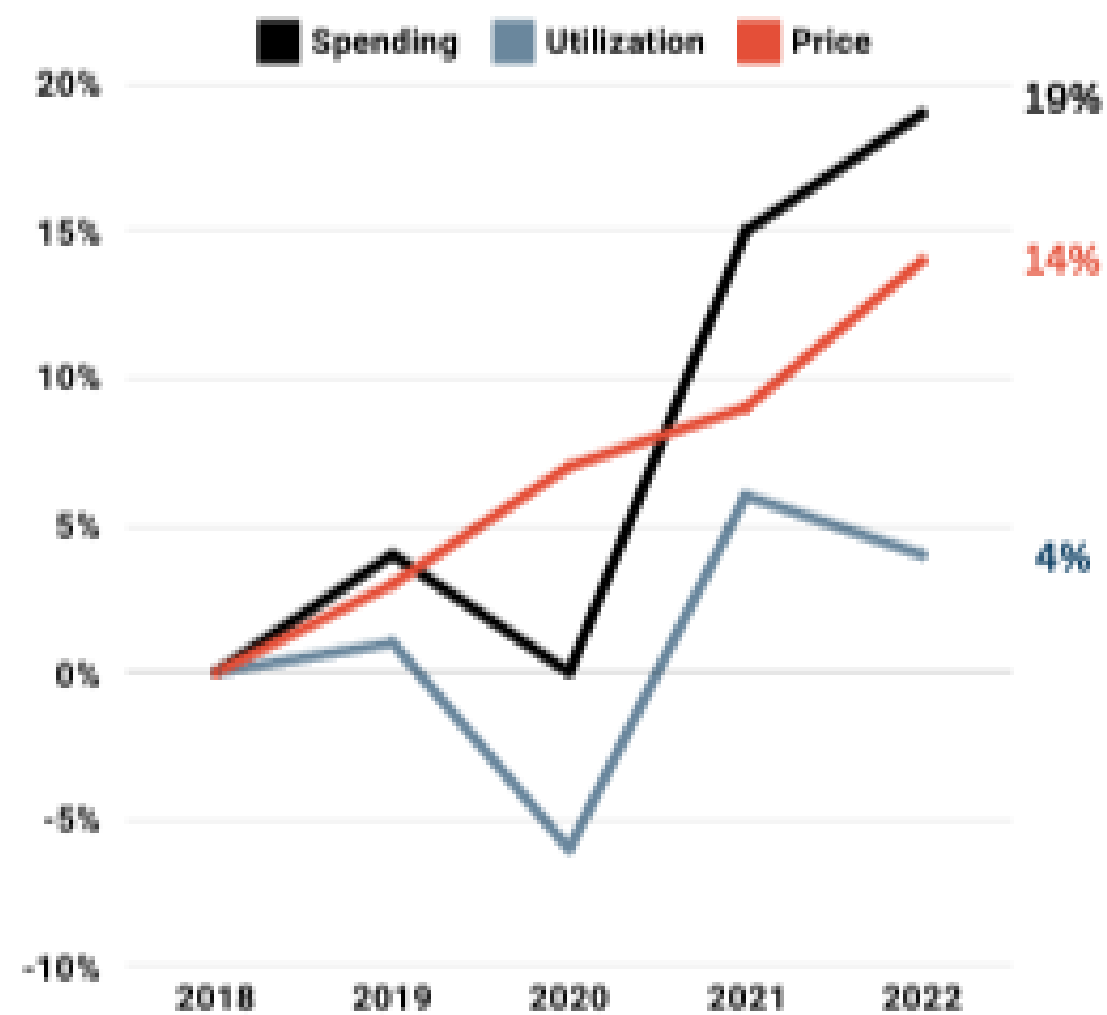


1. Hospital Services: 45.3%
(Facility Fee)
2. Professional Services: 31.4%
3. Prescription Drugs: 23.3%

Source: Healthcare Cost Institute: https://healthcostinstitute.org/wp-content/uploads/images/pdfs/HCCIImpact/HCCIImpact_Prices_Drive.pdf

Costs: Price vs. Quantity

Cumulative Change in Spending, Utilization and Price, 2018-2022



1. Costs up 19%

2. Prices up 14%

3. Utilization up 4%

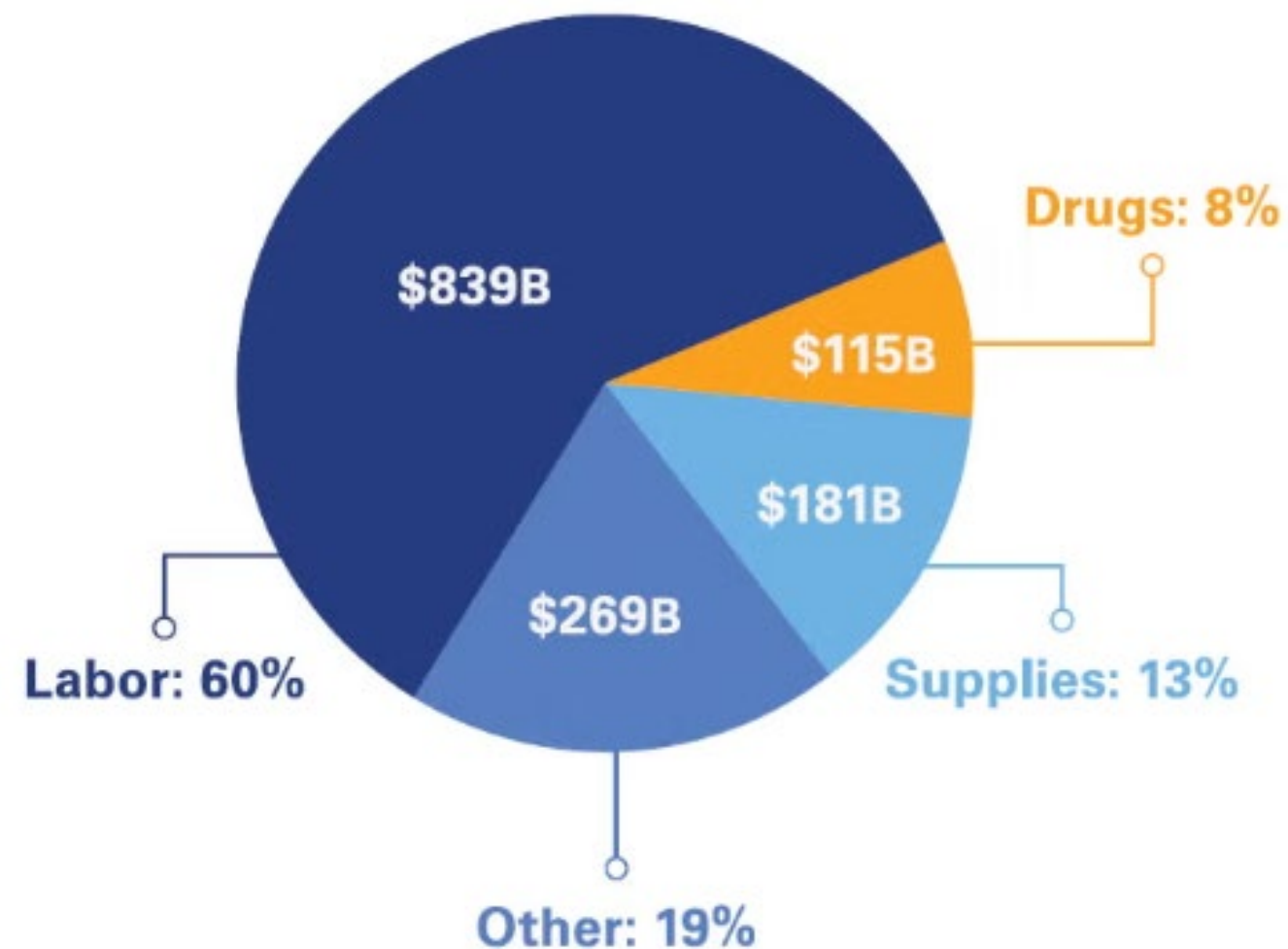
Source: Healthcare Cost Institute: https://healthcostinstitute.org/wp-content/uploads/images/pdfs/HCCIImpact/HCCIImpact_Prices_Drive.pdf

Punchline #1:

- Employer healthcare costs are rising mostly because hospital systems are raising prices.
- “...but I hear in the news that hospitals are struggling financially. If employers are paying hospitals more, why are they struggling?”

Hospitals' Own Costs Up

Figure 1. Labor constitutes largest percentage of hospital expenses.



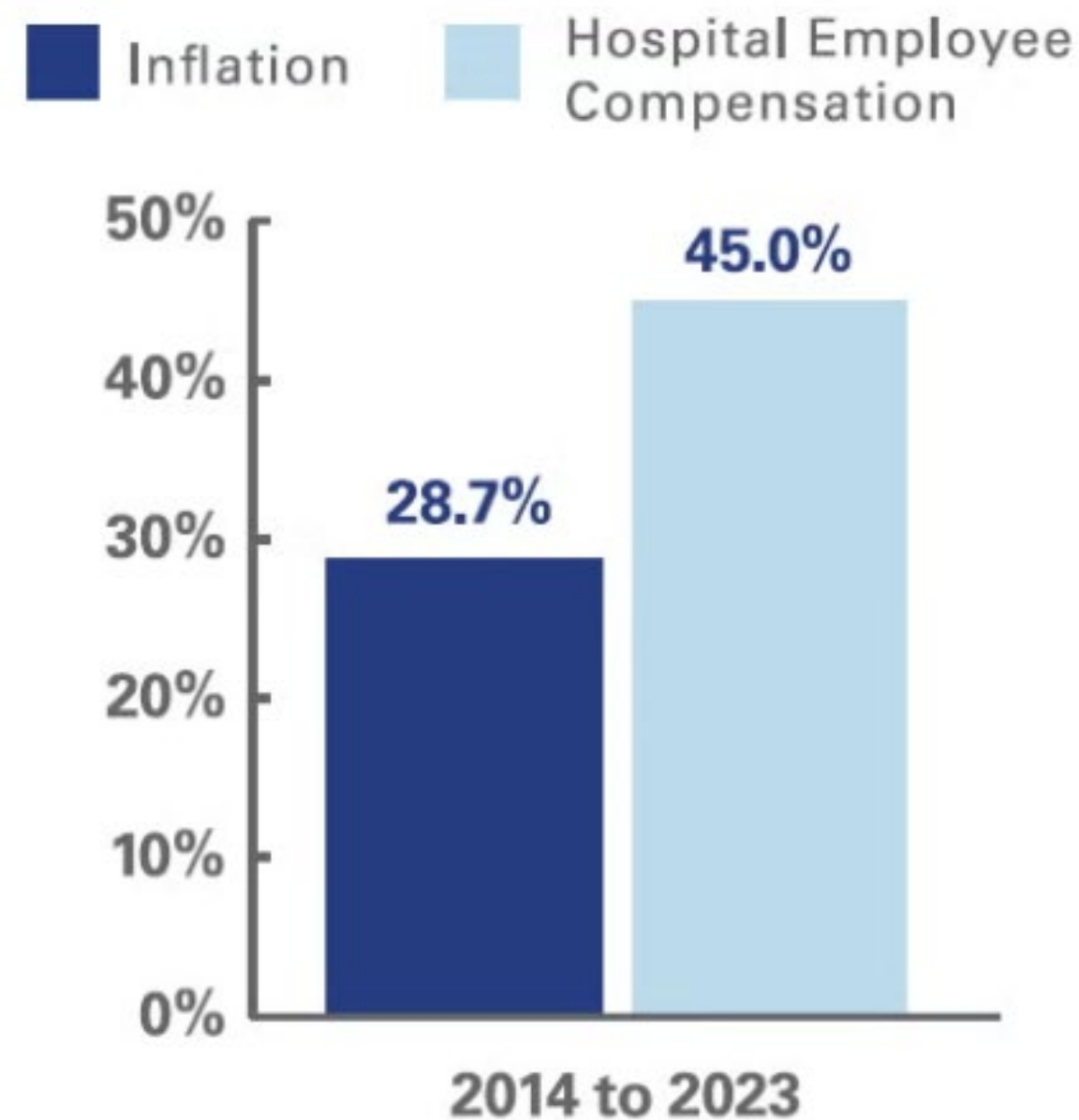
Note: Average expenses estimated by Strata Decision Technology median 2023 values across all hospital spending. Labor is inclusive of purchased services and professional fees.

1. Labor 60%
2. Supplies 13%
3. Drugs 8%
4. Other: Software, Malpractice Insurance, etc.

Source: Am. Hospital Association <https://www.aha.org/guidesreports/2025-04-28-2024-costs-caring>

Hospital Labor Inflation

Figure 9. Growth in Total Hospital Employee Compensation Far Outpaces Inflation



Note: BLS, annual average Employee Cost Index, 2014 to 2023 for hospitals and CPI-U, 2014 to 2023.

1. Hospital Labor Costs Up 45% over 10 years
2. $(45 - 28.7)/28.7 = 0.57$
3. Hospital Labor Costs have risen 57% faster than overall inflation

Source: Am. Hospital Association <https://www.aha.org/guidesreports/2025-04-28-2024-costs-caring>

Punchline #2:

- Hospital costs are up because labor costs are up.
- “...but I walk into a hospital and it’s filled with seniors, not people who look like my employees. Isn’t Medicare paying for most of this increase cost?”

Hospital Revenue by Payer

1. Medicare: 40%
2. Employer-Sponsored Insurance: 40%
3. Medicaid: 10%
4. ACA (Obamacare): 5%
5. Self Pay: 5%

Medicare: 45% Traditional, 55% Medicare Advantage

Source: https://www.medpac.gov/wp-content/uploads/2025/07/July2025_MedPAC_DataBook_Sec9_SEC.pdf

Price Paid as % of Trad. Medicare

1. Trad. Medicare: 100% | Medicare Advantage 90%
2. Employer-Sponsored Insurance: **254%**
3. Medicaid: 70%
4. ACA (Obamacare): 200%
5. Self Pay: 20%

Source: <https://www.rand.org/news/press/2024/05/13.html>, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.00913>,
<https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2015.1553>

Punchline #3:

- Insurance carriers are negotiating two different prices with the same hospital system at the same time. The employer price is 150% – 600% higher.
- “...but why would an insurance carrier do that? Why would they ‘give away the farm’ on the employer pricing?”

Medicare Advantage Gorilla

1. 32% 10 years ago, 55% now, 71% in 10 years
2. Low/\$0 Premium, Copays, Dental, Vision, Hearing
3. Profit Margin \$1,600/Mem. vs. \$800/Mem Employer Health Plans
4. Increased premium from Gov't based on Risk Adjustment...
More conditions = More premium
6. Market Share: **United 29%**, Humana 18%, Anthem/BCBS Plans 14%... Aetna, Kaiser, Centene 23%, Other 16%

Source: https://www.medpac.gov/wp-content/uploads/2025/07/July2025_MedPAC_DataBook_Sec9_SEC.pdf; [https://www.kff.org/medicare/issue-brief/financial-performance-of-medicare-advantage-individual-and-group-health-insurance-markets/#:~:text=Gross%20margins%20are%20the%20difference,Figure\).](https://www.kff.org/medicare/issue-brief/financial-performance-of-medicare-advantage-individual-and-group-health-insurance-markets/#:~:text=Gross%20margins%20are%20the%20difference,Figure).)

Insurance – Hospital Negotiation

1. Hospital “You [insurance carrier] need to pay us about \$500M per year.”
2. Insurance Carrier “We need our MA allowed amounts to be low... like Medicare low.”
3. Hospital “Well then you need to pay us a lot more somewhere else.”
4. Insurance Carrier “We will pay you a lot more for our employer-sponsored plans [because we don’t take risk on most of them].”

Punchline #4:

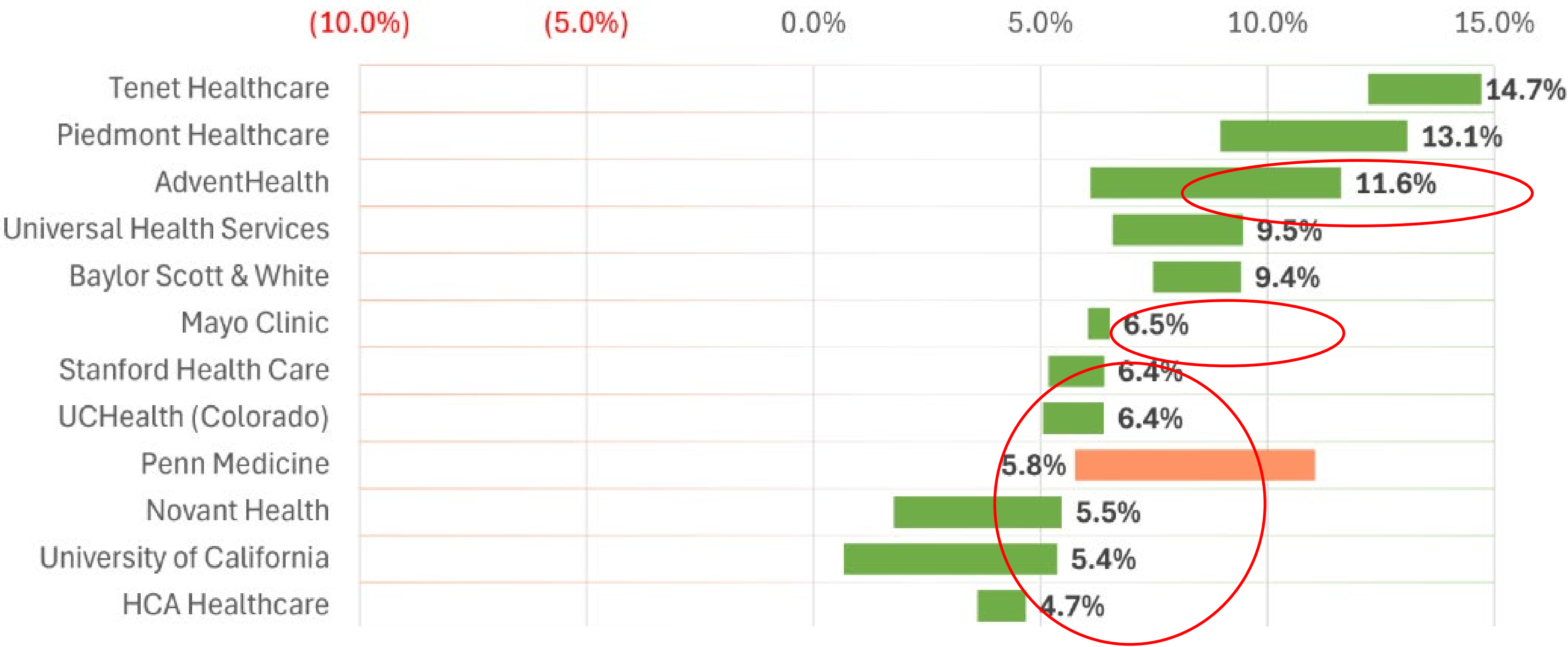
- Insurance Carriers Sacrifice Self-Funded Lives [no risk] and Fully Insured Lives [need excuse to increase premium b/c of MLR restriction] to maintain High Margins on growing MA Lives.
- “...but why would an insurance carrier do that? Why would they ‘give away the farm’ on the employer pricing?”

Sources of Carrier Revenue

1. UHG: \$72 B Employers, **\$177 B MA** and Medicaid, \$100 B PBM, \$71 B Providers, Other = \$324 B Total... Employers 22% and shrinking
2. CVS/Aetna: \$91 B Employers, MA, Medicaid, **\$169 B PBM**, \$63 B Retail = \$323 B Total... Employers ~14% and shrinking
3. Elevance (Anthem): \$42 B Employers, **\$97 B MA** and Medicaid, \$18 B PBM + Provider = \$157B Total... Employers 27%
4. Cigna: \$48 B Employers, MA and Medicaid, **\$133 B PBM** = \$181 B Total... Employers ~9%.

Source: Insurance Carrier 10-K Reporting

Hospital Operating Margin



IU Health Operating Margin: 2023 4%, 2024 2.8%

Punchline #5:

- Hospital systems and health insurance carriers work together to shift rising costs to employers... growing margins at employers' and employees' expense.
- “...but I’m a capitalist. I believe in free markets. Why don’t hospitals compete by lowering costs and why don’t health insurance companies compete by lowering costs?”

Market Concentration

1. Herfindahl-Hirschman Index (HHI): Market Concentration Index used by Federal Gov't
2. <1,500 Unconcentrated
3. 1,500 – 2,500 Moderately Concentrated
4. 2,500 – 4,000 Highly Concentrated
6. >4,000 Extremely Concentrated

Source: <https://www.hhs.gov/sites/default/files/hhs-consolidation-health-care-markets-rfi-response-report.pdf>

Hospital System Concentration

1. 97% of Markets Highly Concentrated
2. 47% of MSAs Controlled by 1 or 2 Hospitals
3. 19% are Single Hospital Monopolies
4. Examples: Indianapolis 1,929

Source: <https://www.hhs.gov/sites/default/files/hhs-consolidation-health-care-markets-rfi-response-report.pdf>, <https://www.kff.org/health-costs/one-or-two-health-systems-controlled-the-entire-market-for-inpatient-hospital-care-in-nearly-half-of-metropolitan-areas-in-2022/>

Health Insurance Concentration

1. 97% of Markets Highly Concentrated
2. Mean MSA HHI is 3,485
3. Remember: >4,000 is Extreme
4. Blue Cross Blue Shield Dominates in 84% of MSAs
5. UHC is #1 or #2 in most markets nationally
6. Indiana: Anthem 38%, United 17%, Aetna 5%, Cigna 1%...
Remainder is MA and Medicaid MCOs.
7. Indiana Commercial Market: Anthem 62%, United 28%,
Aetna 8%, Cigna 2%

Source: <https://www.ama-assn.org/health-care-advocacy/access-care/city-city-health-insurers-hold-outsized-market-share>; https://petris.org/wp-content/uploads/2022/10/Petris-Center-report-on-Indianas-healthcare-markets-for-LSA-100322.pdf?utm_source=chatgpt.com

Punchline #6:

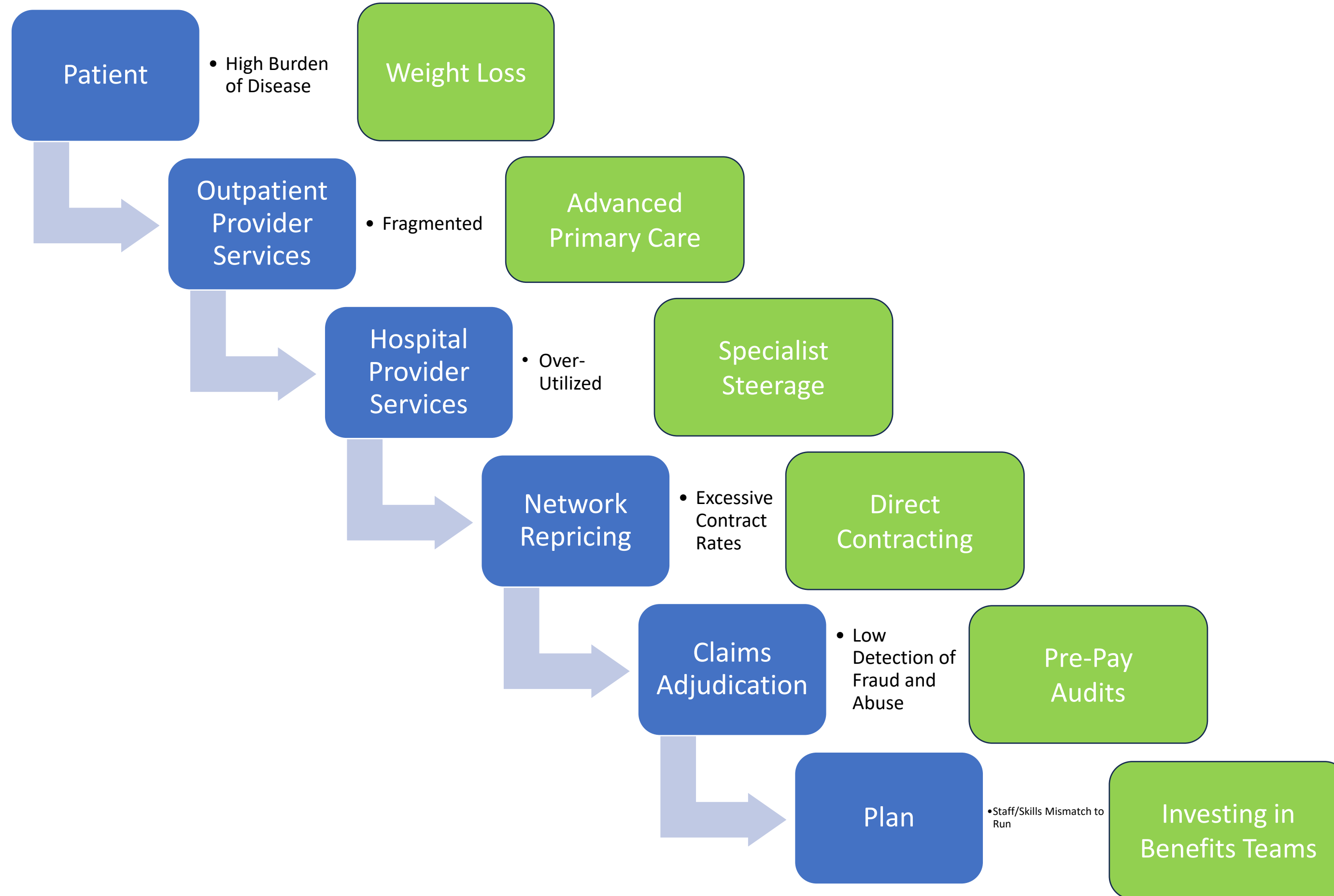
- Capitalism without competition is exploitation. Competition is deflationary. Monopolies and Oligopolies are inflationary.
- “...enough already! Stop with the problems. Give me some solutions.

Solution: Healthcare Supply Chain

Employers have achieved trend deflection by
**“breaking down and rebuilding the
healthcare supply chain.”**

Sorry... no quick fix

Health Plan Medical Supply Chain



Case Studies

1. Purdue University: 1% Per Year Trend Since 2016
2. Serigraph: Trend Flat for 9 Years... “The Company that Solved Healthcare”
3. BevCap: Trend Flat for 10 Years
4. Lincoln National Bank: Cut costs by 50% via direct contracting... 115 employees

Source: <https://www.courier-journal.com/story/opinion/2024/02/13/transparency-health-claims-data-employer-insurance/72522787007/?gnt-cfr=1&gca-cat=p&gca-uir=false&gca-epti=z114334u116936v114334&gca-ft=27&gca-ds=sophi>

Questions?

Thank YOU!!

Dr. Eric Bricker

Connect on LinkedIn

AHealthcareZ on YouTube

EFI Employer Panel

How Employers Are Addressing The Current Healthcare Environment



Randa Deaton

President & CEO
Employers' Forum
of Indiana



Jim Evans

Chief Financial
Officer
Concord
Community Schools



Kate Fisher

Senior Director of
Total Rewards and
Wellness
Cummins Inc



Kevin Mospan

Director of Benefits
University of Notre
Dame

Conclusion



Christan Royer
Indiana University and EFI Board of Directors

2026 Stakeholder Meetings and Locations



State of Healthcare: February 18
Virtual



Annual Policy Update: Tentative April 1, 10 – 11am ET
Virtual



All Stakeholder: May 20, 11am – 1pm ET
Fort Wayne Community Schools, Fort Wayne, IN



All Stakeholder: August 26, 11am – 1pm ET
Jasper Engine, Jasper, IN



All Stakeholder: November 4, Time TBD
Indiana Landmarks Building, Indianapolis, IN

Thank You!

