



Change made simpler

Business Group on Health experts share the pros and cons of switching benefit carriers or vendors, along with tips to make the transition smoother.

Moving to a different health benefits carrier can be a complex process, and some employers may shy away from such a move given the potential disruption to their operations and to the employees they want to attract and retain. Yet, **taking the leap may be worth it**. Employers are facing high health care costs moving into 2026 – due to higher unit and utilization costs¹ – and more scrutiny over their benefits offerings.² This environment calls for bold action on the part of employers, and changing carriers or vendors may be a favorable move in terms of cost savings, ROI and a better benefits experience for their workforce.



Before decision-makers make a change, they have a lot to consider, such as:

- Fixed and variable cost differentials associated with making a move
- Confidence in the new carrier's financial and clinical projections
- Administrative burden regarding the resources and added costs that may be required during the implementation and change management process
- Potential disruption that employees may experience, including access to certain provider networks, advocacy capabilities, wellness/rewards programs and more
- The carrier's ability to work with other vendors that the employer uses

More and more employers are taking a closer look at their health benefit vendors, says Ellen Kelsay, president and CEO of Business Group on Health – a national member-based nonprofit that works with large employers to help manage health and well-being programs. Kelsay says: “They’re asking themselves: ‘Are these the most effective vendors? Are they accomplishing what we need them to accomplish?’”

The reality is some employees will always prefer to stick with the status quo. For leaders deciding whether to make changes to their benefit offerings, it's often a balancing act between the employee value proposition and experience and cost savings. The challenge to employers is to help the workforce understand that those 2 factors are not mutually exclusive, Kelsay says.

Deciding to switch carriers or vendors

For business owners and decision-makers, gaining confidence in switching to a new health benefits solution can come via several avenues.

Hearing from peers in the field – employers and employees – about their own experiences with a carrier or vendor can be an enormous help. Specifically, employers may want to consider:

- 1 Financial guarantees
- 2 Implementation
- 3 Account management
- 4 Employee experience
- 5 Transition of care
- 6 Network strength
- 7 Communication support
- 8 Advocacy capabilities
- 9 Cost and quality data

Since costs are always an important factor in switching carriers, employers want to feel a measure of confidence about financial and clinical projections, according to Jim Winkler, chief strategy officer for Business Group on Health. Thus, interest in third-party assessment and validation of solutions is also rising, as businesses struggle to understand exactly what's working and what's not. If an employer has contracted with a vendor to help prevent and manage a specific chronic disease, for example, leaders want to see progress – and hold that vendor accountable for it.

“Employers need transparency and access to data to support assessments and potential decisions to end programs and partnerships,” Winkler says.

“I know the hardest thing with change is sometimes taking that first step and believing it’s possible. And I am one of the most skeptical people out there, so I can tell you, it’s worth taking the step. You can do it differently. You can be much more deliberate with your health insurance investment.”

UnitedHealthcare client



That's why employers may want to assemble a team that includes a broker or consultant, a chief financial officer, an actuary and/or other financial experts to validate the carrier's or vendor's forecasts. In some cases, such as with larger employers, this can also include representatives from human resources, finance, sourcing and procurement, legal and data privacy.

"Employers will then evaluate how comfortable they are with the outcomes being promised," says Winkler. "And while employers likely cannot feel 100% comfortable about 100% of the decision factors, employers are not likely to adopt big changes if they cannot get comfortable with a degree of guarantee around economic outcomes ... and vetting of the employee experience."

Hearing from references such as those provided in a Request for Proposal (RFP) response and other industry associations and publications, establishing audit rights and having transparency into costs can all work together to help an employer move forward with the decision to switch. "Employers can gain insights from their peers at other companies," says Winkler. "Organizations who network with others learn best practices and achieve better results."

Employers may also want to consider including employees in the decision-making process. That may mean holding internal focus groups or conducting surveys to gather employee input and help establish change priorities, Kelsay says. Ideally, integrating employees into decision-making may create more buy-in among employees when change happens.

"In this cost environment, employers are going to move toward some things that will feel disruptive to employees. They've got to paint a picture for employees of near-term disruption for long-term benefit."

Ellen Kelsay

President and CEO
Business Group on Health

Managing change as smoothly as possible

Once an employer decides to switch to a different carrier, communication can be key to managing the change process.

When it comes to communicating changes to health care benefits, straightforward language is crucial, Winkler says. "We can make things more complicated than they need to be, and that makes it scary for people. If you don't communicate in common language, you're going to have a really hard time getting people to embrace change."

Communications work isn't over once new benefits are in place; in a sense, a new phase of workforce support has begun. Ongoing proactive outreach and engagement to support benefits utilization is about more than driving better outcomes and lower costs. It's what most employees are looking for – and it can be a powerful retention tool, Winkler says.

Health benefits are an increasingly important factor in employees' decision to stay in a job or look elsewhere.³ But tailoring benefits to meet a workforce's unique needs is just a first step. Conveying benefits information is critical at open enrollment and beyond: especially as 1 in 4 surveyed employees reported that they felt "a little" or "not at all" informed about their benefits.⁴



Think of it this way: Great benefits come alive through great communication

"It's education combined with advocacy and navigation support," Winkler says. "Increasingly, employers are realizing that the idea of each employee being a health care consumer on their own making choices – it's just really, really hard." A key to success, he adds, is the ability to combine effective communication tools with navigation resources, which could be digital or direct 1-on-1 support via phone.

A successful change-management process demands not only simplifying the initial benefits carrier switch for the employer but also helping them provide ongoing education and support for their employees post-transition. In the end, employees aren't going to take advantage of new benefits and programs they don't understand.

"[Employees] should understand the benefits to be gained through change and feel like change is happening with them, not to them."

Ellen Kelsay

President and CEO
Business Group on Health

Anticipating a change? Consider these best practices.⁵



Create a vision
for change



Ensure organization leaders are committed
to and openly support the change



Listen to employees' concerns
about the change



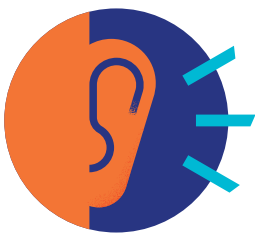
Train managers and supervisors
to be change agents



Support employees
with training



Clearly communicate changes to
all members of the organization



Hear from employers who made the switch to UnitedHealthcare – and how they were able to more easily transition to a health benefits plan built for their unique workforce. [Watch video >](#)

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¹ 2026 Employer Health Care Strategy Survey: Executive Summary. Business Group on Health, Aug. 19, 2025. Available: <https://www.businessgrouphealth.org/resources/2026-employer-health-care-strategy-survey-executive-summary>.

² Employers say their benefits are modern. Employees don't agree, study finds. HR Dive, May 13, 2025. Available: <https://www.hrdive.com/news/employers-think-their-benefits-are-modern-employees-dont-agree/747803/>.

³ 2022 Health Insurance Knowledge Snapshot. Commissioned by Justworks and conducted by Harris Poll, Aug. 4, 2022. Available: <https://www.justworks.com/lp/benefits-knowledge-snapshot>. Accessed: Oct. 21, 2024.

⁴ Study Finds Most Participants Don't Understand Their Benefits. Plan Sponsor Council of America, Sept. 24, 2024. Available: <https://www.psc.org/news/psca-news/2024/9/study-finds-most-participants-dont-understand-their-benefits>.

⁵ Change Management: From Theory to Practice. TechTrends, Sept. 2022. Available: <https://pmc.ncbi.nlm.nih.gov/articles/PMC9462626/>. Accessed: Jan. 3, 2025.

These case studies are true. Savings calculated on book-of-business case rate savings for programs. Savings for enrolled members are case specific and are not a guarantee of future outcomes. Results will vary based on client specific demographics and plan design.

Employee benefits including group health plan benefits may be taxable benefits unless they fit into specific exception categories. Please consult with your tax specialist to determine taxability of these offerings.

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