



You Can't Govern What You Can't See

Why Employers Need a New Governance Model for Health Plans

By Paul Richmond

For years, employers have assumed their health plan is working as it should. Some think: "Our vendors manage compliance - we're covered." Recent litigation and Department of Labor (DOL) activity tell a different story. In conversations with CHROs, CFOs, CIOs, and Total Rewards leaders, a consistent pattern has emerged: **The problem isn't a lack of solutions. It's a lack of validated data.**

The Structural Issue No One Talks About

Beneath rising trends, conflicting reports, and overlapping vendors lies a deeper challenge: Vendors promise transparency but control the data. Most cannot (or will not) provide normalized, auditable files. What's worse is that there is no industry standard for files that are delivered.

This tension comes to a head for employers who carry fiduciary liability but lack the required visibility. TPAs, PBMs, and point solutions continue to self-report ROI without independent validation...without consequence. And the inaccuracies are glaring; If everyone's ROI claims were true, healthcare costs would be going down, not up.

Why It Matters Now

For CHROs: Fiduciary responsibility includes Mental Health Parity and Addiction Equity Act (MHPAEA) compliance, equitable access, vendor oversight, and documentation. Even when a vendor fails, the employer remains liable.

For CFOs: Health plans are the second-largest expense — yet one of the hardest to measure. Without unified data, employers cannot drive better outcomes for members or validate claim trends, administrative fees, PBM spreads, savings performance, high-cost drivers, or true ROI.

What Leading Employers Are Doing Differently

Forward-thinking organizations are moving from vendor-driven oversight to employer-driven governance, supported by the right infrastructure. This means unified, normalized data across all vendors to create one independently validated source of truth with:

- (1) scorecards measuring true savings, outcomes, service, and total cost impact;
- (2) daily monitoring of risk, performance, parity, and fees — not quarterly or annually; and
- (3) a defensible audit trail with complete documentation of oversight and compliance.

The Path Forward

You don't need more vendors. You need more visibility.

When employers achieve visibility, trends become predictable, vendors become accountable, and compliance becomes achievable.

If stronger governance and measurable ROI are on your 2026 priorities, I'm happy to share what we're seeing in the market and with clients.

PS: For a deeper dive, watch our webinar: Mental Health Parity 101: What Employers Need to Know

https://www.youtube.com/watch?v=Uju9iBRb_7Y

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