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The Limits of the Health Plan Renewal Process

By Paul Richmond, Chief Commercial Officer, Wellnecity

Employers who self-fund their health plan -- here's the question worth asking before your next Plan renewal:

What do I know about our plan performance today that I didn't know at this point last year — and what can I actually do about it?

For most employers, the honest answer is: not much, and not much.

That's not the fault of the renewal process. The fault comes in not having continuous oversight of the Plan during the year.

Renewal is just a checkpoint — a backward-looking summary of activity that occurred **months** before the activity is reviewed. By the time cost drivers surface in renewal discussions, the opportunity to influence them is long gone.

Where the gaps show up

- Utilization shifts, site-of-care changes, and high-cost therapy trends can accelerate well before they appear in any report
- Stop-loss exposure is often only fully understood when renewal terms land on the table
- Vendor performance is measured against historical data — not against what's happening **now**

Renewal tells you what happened. It doesn't tell you what's happening — and it can't help you intervene before the damage is done.

What effective oversight requires

- Continuous monitoring, not periodic review
- Cost drivers identified as they emerge, not months later

- Vendor performance and guarantees tracked **(and acted upon)** throughout the year
- Stop-loss risk understood **before** it becomes a renewal surprise

If those cornerstone items are not in place, the gap isn't better reporting. It's a different model entirely that exposes the employer.

That's the difference between renewal and ongoing governance.

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