

**The Health Insurance Black Box:  
Why Employer Healthcare  
Costs Keep Rising  
(Episode 324)**

**Featuring  
Chuck Melendi  
Whistleblower and  
Destructive Dialogues Host**



***This time on Code WACK!***

What challenges do employers face when providing health coverage to their employees? And what role do health insurers and Pharmacy Benefit Managers—prescription drug middlemen known as PBMs—play in shaping costs, coverage, and access to care?

To find out, we spoke with **Chuck Melendi**, who has more than three decades of experience in healthcare leadership, advocacy, and industry strategy. He spent 25 years at Johnson & Johnson, where he tackled issues including drug pricing, payer negotiations, policy, and commercial strategy.

Chuck retired from Johnson & Johnson in early 2025 and went on to launch Disruptive Dialogue, a podcast and consulting platform where he shares insights from inside the U.S. healthcare system – while exploring ideas for reform.

This is the first of a two-part series.

# SHOW NOTES

*Episode 324, April 6, 2026*

## WE DISCUSS

*Talk about your background and what led you into the world of healthcare reform?*

**Melendi:** “[I was] very fortunate to have been in the healthcare industry for over 35 years ... the last 25 with Johnson & Johnson. Basically I was just the corporate guy in the healthcare industry and really enjoyed my time there. But over time I just was seeing what it was turning into ... and sometimes when you're sitting there and you see things that are happening because of your role, you can't say anything. It gets frustrating. And so I made a change and I think it's led me here to talk to you today.

*Tell us about what you're up to now - for example, the consulting work you do with employers.*

**Melendi:** Sure. So basically I do a lot of consulting work for a benefit consultant firm that is employee owned. Like I said, when I left J&J last January, I said, okay, it's time for me to give back and to try to make a difference in healthcare.

And there's a number of different things that I've done ... But the bottom line is I have my platform ... which is my podcast.

...what a lot of people probably don't realize is employers aren't experts in health care. And for them to try and negotiate with the insurance companies or hospitals or pharmacy benefit managers would be nearly impossible.

Healthcare as you know is so complex that it's impossible to be an expert in every facet ...

*In 2026, average employer sponsored health insurance has skyrocketed to 18,500 per employee, up about 6.7% from last year. What do you think is driving this increase?*

**Melendi:** ... Oh, so many things <laugh>, but we don't have all that time. But I would say really truly if we're looking at it from a strategic standpoint or a macro standpoint, I think there's three things.

The first one is the lack of transparency in the system. You know, healthcare pricing truly lacks transparency. And so, you know, you mentioned premiums. Well technically they have to be filed and approved, but the underlying drivers of price for these premiums remain largely invisible to employers and even to the regulators.

The second one - I touched on it already - is a lack of regulations. Basically insurers operate under a fragmented regulatory system where oversight is pretty much split across state laws and federal rules. But that means that there's really no consistency and no single regulator that sees the full picture. And that has allowed insurers to vertically integrate.

And when I say vertically integrate, what I mean is the insurance company, as we already mentioned, they own pharmacy benefit managers, they also own pharmacies, they even own physicians like UnitedHealth Group is the largest employer of physicians in our country with over 90,000 physicians. And there's no one that is supervising this. And I mean like United has over 2,700 subsidiaries. And what that allows them to do is they can shift costs and profits across their different entities and they can hide profits and revenue.

[Third], the very organizations that we have running our healthcare system today that are tasked to keep costs down, they have a fiduciary duty. But it's not to us the employers of the patients who are their customers, it's to their shareholders, which means they will always find ways to make more revenue and more profit. ... I lived in Europe for two years doing marketing for J&J and I would talk to like some of the regulators over there, their mind

is blown that we have publicly traded for-profit companies running our healthcare system, which I think is a big reason why costs are so high.

## Helpful Links

[Disruptive Dialogue](#)

[What to Know About Pharmacy Benefit Managers \(PBMs\) and Federal Efforts at Regulation](#), *KFF*

[Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies](#), *Federal Trade Commission*

[2025 Employer Health Benefits Survey](#), *KFF*

[Research and policy to strengthen the employer-sponsored health insurance market](#), *Health Services Research*

## Episode Transcript

*Read the [episode transcript](#).*

## Guest Biography - Chuck Melendi

**Chuck Melendi** brings 35 years of healthcare expertise to the table as a results focused executive with both domestic and international leadership. During 25 years with Johnson & Johnson, Chuck demonstrated expertise in

drug price negotiations with payers, advocacy & policy impact on health care reform, and leadership in sales & marketing.

His deep and extensive relationships across medical societies, employer coalitions and advocacy organizations have contributed to significant legislative impact and an excellent reputation within the industry. Chuck retired from Johnson & Johnson in January of 2025 to start [Disruptive Dialogue](#), a podcast and consulting business, focused on sharing with the general public his inside knowledge of the US healthcare system and his dedication to changing it. He partners with benefit consultants, serves on discussion panels, and has presented to civic and professional groups across the country, all in an effort to create a more informed consumer and build a more effective healthcare system.

In addition to his professional endeavors, Chuck is committed to meaningful community engagement, with a focus on mental health and affordable housing. He is the chairman of the operating board for Ibis Healthcare, a Tampa based behavioral health and substance misuse care center, and an active board member with the Florida Supportive Housing Coalition, among other volunteer initiatives. Chuck's focus is on family, friends and trying to make a positive impact in the world.

A passionate college sports fan with a love for his Florida Gators, he enjoys torturing himself with a schizophrenic golf game, which usually ends with a quality craft beer.

## Host Biography: Brenda Gazzar

**Brenda Gazzar**, the host and co-producer of **Code WACK!**, has produced over 300 weekly podcast episodes topping 400,000 downloads. A skilled interviewer and storyteller, Brenda brings nuance, curiosity, and clarity to every conversation.

Brenda has worked as a multilingual and award-winning reporter with more than two decades experience in California and the Middle East.

Her work has been published by Reuters, Ms. Magazine, USA Today, Los Angeles Daily News, the Orange County Register, The Wrap, The Jerusalem Post, Cairo Times and numerous other publications. She speaks Spanish, Hebrew, and moderate Arabic and is the recipient of national, state and regional awards.

Brenda also enjoys being a life coach, helping people align with their purpose so they feel fulfilled while achieving their boldest dreams.

Brenda's work is grounded in a belief that systemic change and personal growth go hand in hand — and she's here for both.

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