The Healthcare Cost Crisis is Reshaping Employer Benefits Strategies, Brown & Brown Survey Reveals

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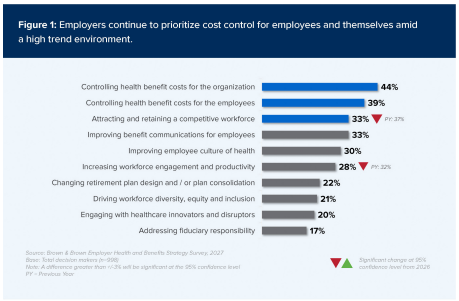
Rising medical and pharmacy costs driving cost-containment measures as employers balance affordability and employee well-being

DAYTONA BEACH, Fla., Nov. 09, 2026 (GLOBE NEWSWIRE) -- Brown & Brown, Inc. (NYSE: BRO), a leading insurance brokerage firm, today released the findings of its annual Employer Health and Benefits Strategy Survey.

The 2027 edition of the survey reveals how employers are combating steeply rising medical and pharmacy costs. Employers anticipate healthcare costs will rise an average of 10% annually in both 2026 and 2027, a Brown & Brown analysis of its customer base found.

According to the Brown & Brown survey, these rising costs are prompting more aggressive reviews of core benefits, changing plan designs, driving GLP-1 coverage restrictions, and strengthening the focus on physical health and well-being programs to manage long-term costs.

Employer Health and Benefits Strategy Survey



Employer Health and Benefits Strategy Survey_Figure 1

Controlling benefit costs is top concern, maintaining employee value is biggest challenge

In last year's survey, cost-containment, for both organizations and their employees, ranked nearly equal at the top of employers' strategic priorities list. The 2027 survey results tell a different story: just under half (44%) of surveyed employers list 'controlling health benefit costs for the organization' as their top priority, notably above 'controlling health benefit costs for the employees.' (**See Figure 1**)

Figure 1: Employers continue to prioritize cost control for employees and themselves amid a high trend environment.



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)
Note: A difference greater than +/-3% will be significant at the 95% confidence level
PY = Previous Year

Significant change at 95% confidence level from 2026

Employers also report 'Managing rising benefit costs while preserving employee value' as the number one challenge in developing benefits programs today.

“Employers have reached a critical point in the healthcare cost crisis. They’re being forced to make increasingly difficult decisions about how they invest in employee health benefits,” said Chana Bieker, senior vice president – benefits, national account leader at Brown & Brown. “Just two years ago, attracting and retaining talent was employers’ top priority. In the 2027 edition, it is third, while controlling organizational healthcare costs is the clear number one. This shift reflects the severity of evolving economic and market challenges, the mounting financial pressure organizations are under, and the growing urgency to find more sustainable approaches to healthcare spending.”

Top five strategic cost containment initiatives employers are prioritizing

In 2027, employers are taking a much closer look at where their dollars are going and how those investments can deliver long-term value. Cost containment strategies are increasingly focused on reducing unnecessary spending, improving efficiency and getting more value from existing benefits programs.

The top five cost containment strategies:

1. Benefits audits (claims, pharmacy and/or clinical): 83%
2. Evaluate transparent PBM vendors or pricing models: 83%
3. Stronger data analytics: 83%
4. Evaluate medical stop-loss plan design: 82%
5. Medical and/or pharmacy RFPs: 82%

A continued focus on employee well-being and mental health

Despite the focus on cost control, employers remain committed to supporting employee well-being. A majority (78%) say well-being programs are part of their healthcare strategies, and 79% of this cohort plan to increase related budgets. Mental health support is an additional focus, with 80% prioritizing improving access to behavioral health providers.

Employers balance GLP-1 costs and employee access

GLP-1 weight-loss medications have become a key consideration in employers' broader cost containment strategies. Growing employee demand, which shows no signs of slowing, puts additional pressure on employer healthcare budgets. Increasingly, employers must strike the difficult balance between access to GLP-1s and controlling costs.

Nearly half of survey respondents cover GLP-1s for weight loss (45%). However, for this cohort, more than 77% have restrictions in place. A significant percentage of these employers have restrictions beyond prior authorization, such as having to meet certain clinical criteria above and beyond FDA guidelines (45%) and required participation in a lifestyle, behavior or weight management program (33%).

The Employer Health and Benefits Strategy Survey data will be mapped into Brown & Brown’s recently launched intelligence ecosystem COMPASS, which provides critical market context to support more informed decisions that can lead to lower costs and stronger insurance outcomes for companies.

Upcoming webinar: Employer Health and Benefits Strategy Survey, 2027 Results Review

Members of the media are invited to join a webinar discussing the survey results on Wednesday, November 11, 2026, 2:00 – 3:00 pm ET. During the webinar, Brown & Brown Employee Benefits specialists will dig into survey results and analysis regarding employer priorities, cost containment strategies, approaches to GLP-1 coverage and overall pharmacy benefit management, AI’s impact on benefits strategy, digital health offerings, and more.

All registrants will receive a replay link and copy of the presentation.

Register here: Employer Health and Benefits Strategy Survey: 2027 Results Review

About the Brown & Brown Employer Health and Benefits Strategy Survey, 2027

The Brown & Brown Employer Health and Benefits Strategy Survey, 2027 gathered responses from nearly 1,000 employers. Participating employers had at least 200 employees based in the US. The survey explores a wide array of key strategic issues and opportunities facing employers who sponsored employee health and benefits plans. The survey was fielded from July 21 through August 28, 2026. The margin of error is +/-3%.

Download the Executive Summary here.

About Brown & Brown

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solutions and specialization since 1939. With a global presence spanning 700+ locations and a team of approximately 23,000 professionals, we are dedicated to delivering scalable, innovative strategies for our customers at every step of their growth journey. Learn more at BBrown.com.

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