Brown & Brown



EXECUTIVE SUMMARY

Brown & Brown Employer Health and Benefits Strategy Survey

2027 Edition



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Introduction

The 2027 Brown & Brown Employer Health and Benefits Strategy Survey gathered responses from 998 employers with at least 200 U.S.-based employees across a wide variety of industries and regions.

Employers are navigating what many view as a healthcare cost crisis while working to preserve the value employees receive from their benefits programs. According to a recent Brown & Brown analysis of its own customer base, employers expect healthcare costs to increase an average of 10% in 2026 and again in 2027, even after making changes to plan design and offerings. The survey results show employers responding by reevaluating benefits strategies, investing in cost-containment initiatives and looking more closely at how technology, including artificial intelligence (AI), can help improve performance and efficiency.

Survey Respondents

998

Employers responded to the survey

200+

Participating employers have at least 200 U.S.-based employees



Controlling Costs Is the Top Priority
and Primary Driver of Benefit Strategy Changes

In last year's survey, cost containment for both organizations and employees ranked nearly equally among employers' top strategic priorities. The 2027 results tell a different story. Just under half (44%) of employers cite controlling health benefit costs for the organization as a top priority, notably ahead of controlling health benefit costs for employees (39%). Attracting and retaining a competitive workforce (33%) remains important but declined from 37% last year, signaling a stronger organizational focus on managing rising healthcare costs **(Figure 1)**.

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

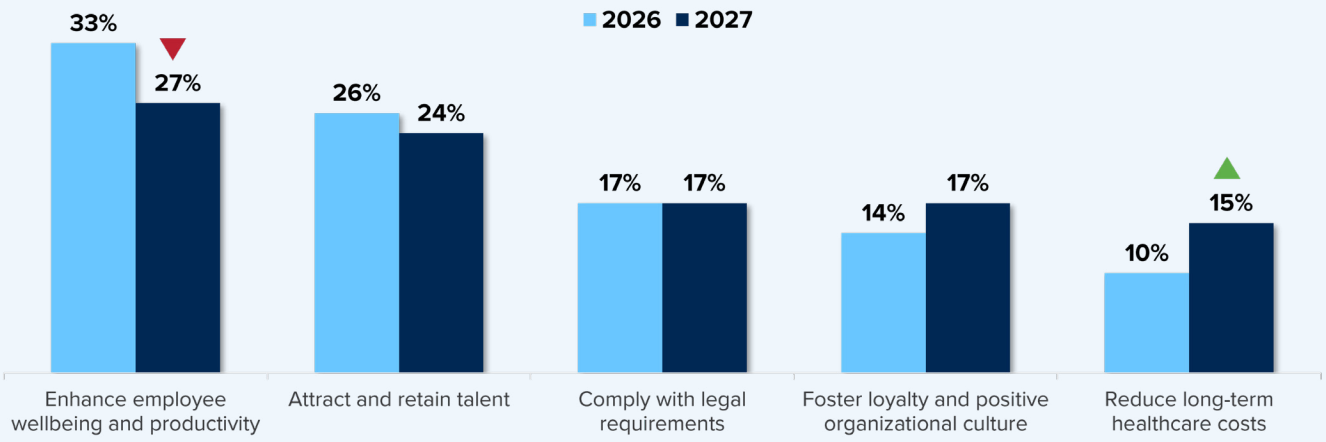


Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)
Note: A difference greater than +/-3% will be significant at the 95% confidence level
PY = Previous Year

Significant change at 95% confidence level from 2026

The reasons employers offer benefits are shifting as cost pressures mount. Employers are now placing greater emphasis on how their benefits programs can help control costs. While supporting well-being and productivity remained the leading reason organizations offer benefits, reducing long-term healthcare costs increased as a stated objective, rising to 15% from 10% last year **(Figure 2)**.

Figure 2: Employee wellbeing and productivity remain the top priority, but employers' reasons for offering benefits shifted toward long-term healthcare cost reduction.



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (2027: n=998, 2026: n=1,241)
Note: Percentages indicate the proportion of respondents who selected each item as their first-ranked choice
Note: A difference greater than +/-3% will be significant at the 95% confidence level

Significant change at 95% confidence level from 2026

Employers are Taking Action to Improve Value and Contain Costs

Employer responses about the biggest challenge in developing a benefits program centered on three themes:

- Managing rising costs while preserving employee value
- Meeting varied employee needs through flexible plan design
- Keeping pace with changing workforce expectations and evolving technologies

Employers are moving from concern to action. In 2027, employers are taking a much closer look at where their healthcare 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.

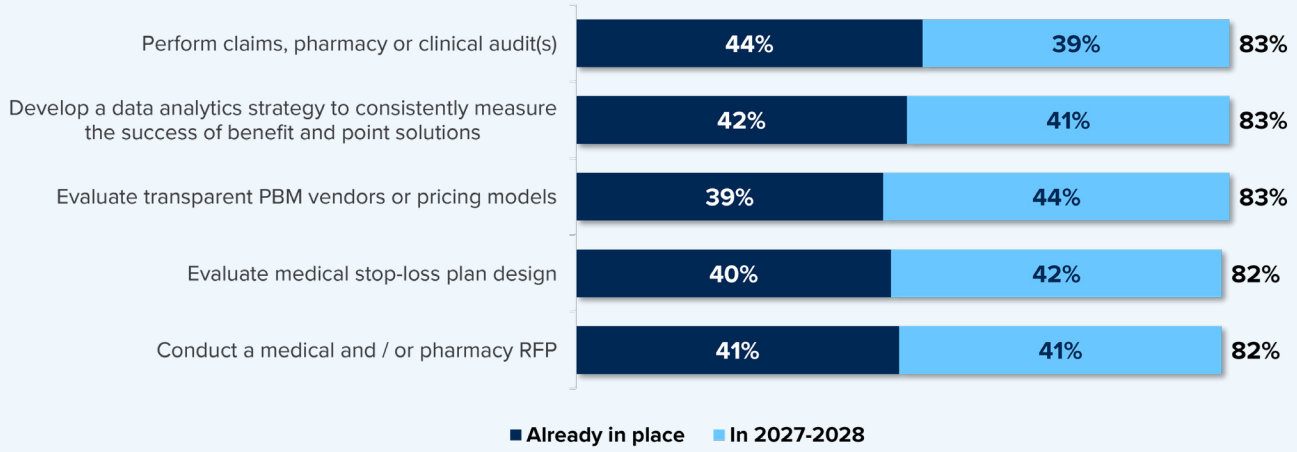
For 2027-2028, 82% of responding employers plan moderate or significant changes to medical contributions and 79% to medical plan design, up from 77% and 75% last year. Well-being programs follow at 76%.

Top Cost Containment Initiatives Employers are Prioritizing

Employers are also reviewing how their plans perform. At least 82% say they already have in place, or plan to adopt, the following initiatives **(Figure 3)**:

1. Claims, pharmacy or clinical audits (83%)
2. A data analytics strategy to measure the success of benefits and point solutions (83%)
3. Evaluation of transparent PBM vendors or pricing models (83%)
4. Medical stop-loss plan design review (82%)
5. Medical or pharmacy RFPs (82%)

Figure 3: Employers are reviewing benefit costs and performance through audits, more transparent pharmacy pricing, and stronger data analytics, with further activity planned for 2027–2028.



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)

Pharmacy Benefits Remain a Leading Cost Driver

Pharmacy plans remain a pressure point and one of the largest cost drivers for employers. When asked about their organization's top concerns and challenges related to pharmacy benefits, employers most frequently cited managing overall pharmacy cost trend (46%), affordability of medications for members and the plan (43%), and developing a specialty and high-cost drug strategy (35%).

Many employers already have solutions in place to help contain pharmacy costs. The most common approaches include site-of-care management for specialty drugs under the medical benefit, PBM transparency programs and exclusive specialty pharmacies.

While PBM transparency programs are already widely used, many employers plan to continue evaluating and expanding these efforts. Looking ahead to 2027-2028, employers are also considering modest increases to copays and cost sharing, along with new pharmacy pricing models.

Employers' Top Pharmacy Concerns

46% Overall pharmacy cost trend

43% Medication affordability

35% Specialty/high-cost drug strategy

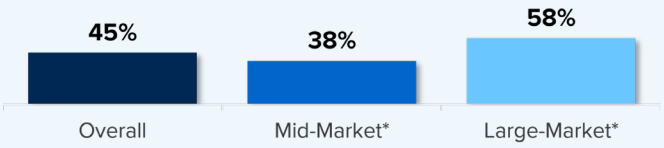
GLP-1s for Weight Loss

GLP-1 weight-loss medications have become a key consideration in employers' broader cost-containment strategies. Growing employee demand continues to place pressure on healthcare budgets, requiring employers to balance access to these medications with the need to manage costs.

Employers that cover GLP-1 medications for weight loss are generally staying the course while adding guardrails. Nearly half (45%) of employers cover GLP-1s today, with coverage more common among large-market employers (58%) than mid-market employers (38%) **(Figure 4)**.

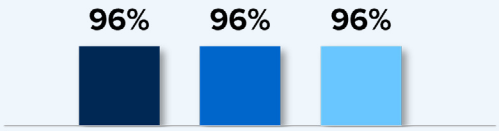
Figure 4: Employers who offer GLP1s for weight loss remain committed to providing these drugs but with more restrictions in place.

Employers Covering GLP-1 Medications for Weight Loss

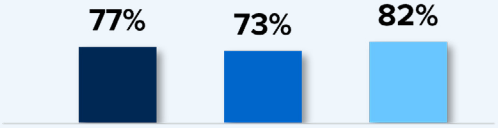


OF THOSE WHO COVER GLP-1S

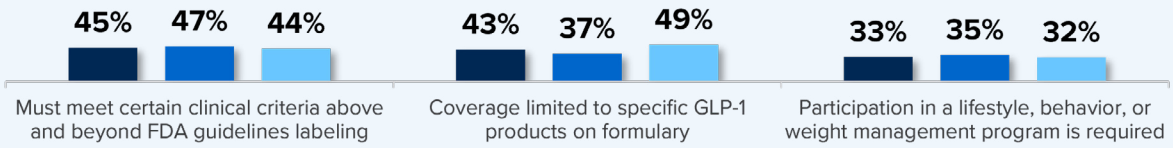
Plan To Continue GLP-1 Coverage for Weight Loss in 2027-2028



Have Restrictions in Place for GLP-1 Coverage for Weight Loss



In Addition to Prior Authorizations, Employers Are Including the Following Restrictions



**Mid-Market = 200-2000 employees; Large-Market = 2000+ employees*
Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: GLP-1 Medications for weight loss: Total decision makers (n=998), Mid-market decision makers (n=646), Large market decision makers (n=352). Plan to Continue GLP-1 coverage & Have restrictions in place for GLP-1 coverage (n=446 total; n=243 Mid; n=203 Large).
Top restrictions: Have restrictions in place for covering GLP-1 for weight loss were surveyed (n=344 total; n=177 Mid; n=167 Large).



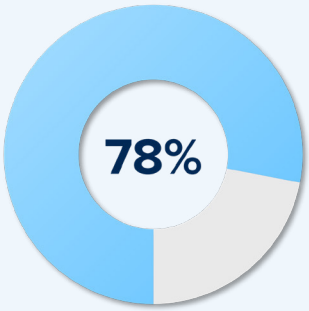
The Employee Experience Remains a Strategic Priority

Employers Continue to Invest in Well-Being

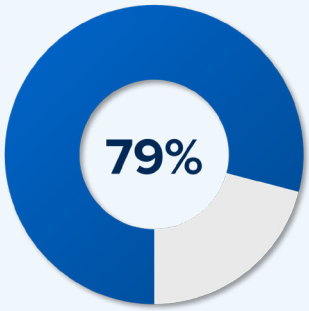
Despite the prevalent focus on cost control, well-being remains an important component of employers' healthcare strategies. A clear majority (78%) of employers include well-being programs in their healthcare strategy, and 79% of those with a formal program plan to increase their well-being budget in 2027 **(Figure 5)**.

The focus, however, is shifting from a broader, multi-dimensional view of health toward physical health. Nearly half (47%) of employers with a formal program focus primarily on physical health and well-being, up from 36% last year, while 53% focus on multiple dimensions of health, down from 63%.

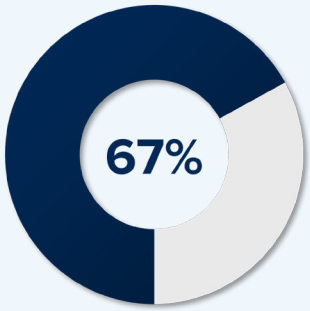
Figure 5: Beyond the traditional medical and prescription drug programs, employers are continuing to offer benefits that promote employee well-being and productivity.



have well-being programs as part of healthcare strategy



plan to increase well-being budget in 2027



want to have a defined future-state strategy that is standard globally (25%) or global with local customization (42%)

Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)
For the questions on the well-being budget, and the organization's desired future state approach to global well-being programs, only respondents whose Employers currently have a formal well-being program were surveyed (n=777).

Digital health strategies focus on improving access, outcomes, and cost management

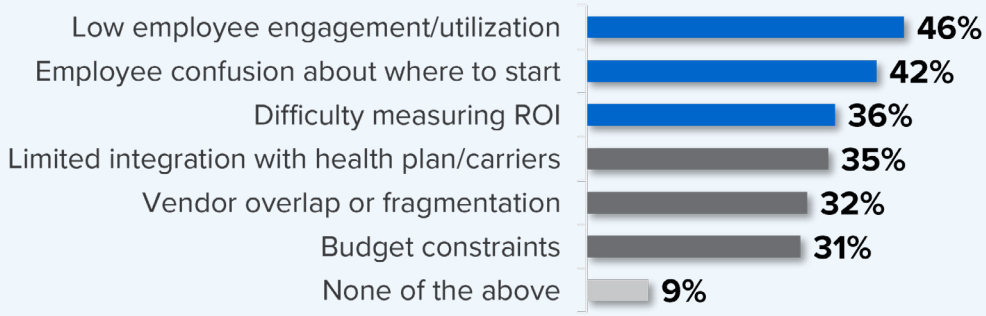
Digital health strategies center on improving access to care (53%), reducing costs (49%) and improving health outcomes (47%). Employers say the biggest obstacles are low employee engagement (46%), confusion about where to start (42%), and difficulty measuring ROI (36%) **(Figure 6)**.

Mental and behavioral health remain key investment areas

Employers continue to invest in mental and behavioral health support **(Figure 7).** Among employers that have implemented or plan to implement mental health initiatives, the most common priorities are:

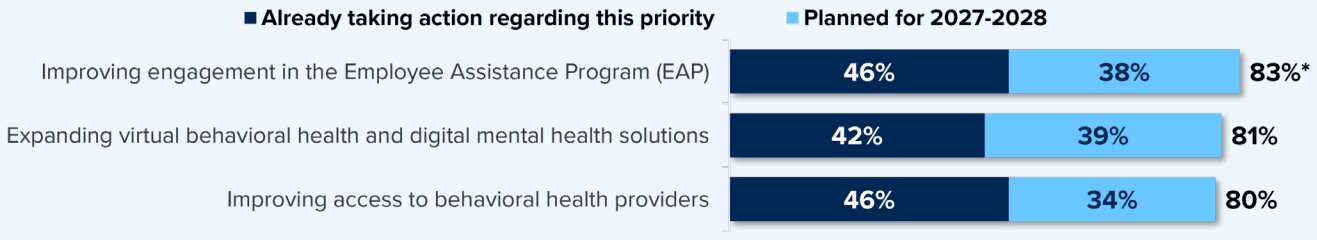
- Improving engagement in employee assistance programs (84%)
- Expanding virtual behavioral health and digital mental health solutions (81%)
- Improving access to behavioral health providers (80%)

Figure 6: The biggest challenges to the success of digital health offerings include low employee engagement (46%), employee confusion about where to start (42%), and difficulty measuring ROI (36%).



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)

Figure 7: The top mental health priorities are improving engagement in EAPs and expanding access to virtual solutions and behavioral health providers.



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)
**May not foot due to rounding*

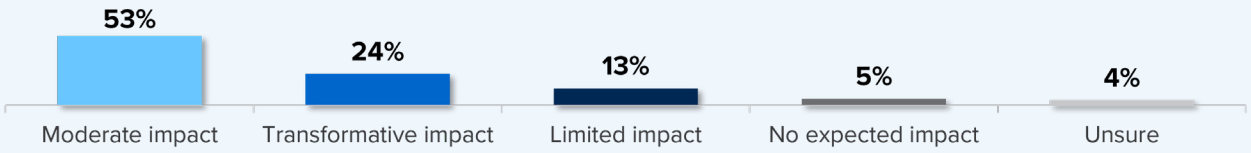
Artificial Intelligence Moves From Exploration to Implementation

More than half (53%) believe AI will have a moderate impact on their health and benefits strategy by 2028, while nearly a quarter (24%) see AI as transformative **(Figure 8)**. Employers are increasingly evaluating how AI can support benefits administration, improve decision-making and enhance the employee experience. Potential applications include personalized communications, navigation support, administrative efficiency and data-driven insights.

While many organizations remain in the exploration phase, interest in AI continues to grow as employers look for new ways to improve outcomes and manage complexity across their benefits programs.

Employers cited data privacy/security concerns as the biggest barrier to adopting AI (38%), followed by potential accuracy and fairness issues **(Figure 9)**.

Figure 8: The findings suggest employers should prepare for AI to influence benefits planning by 2028, while keeping expectations grounded in practical improvements rather than a complete overhaul.



Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)

Figure 9: Data security, accuracy, and fairness are among the main concerns with implementing AI in an organization's benefits strategy.



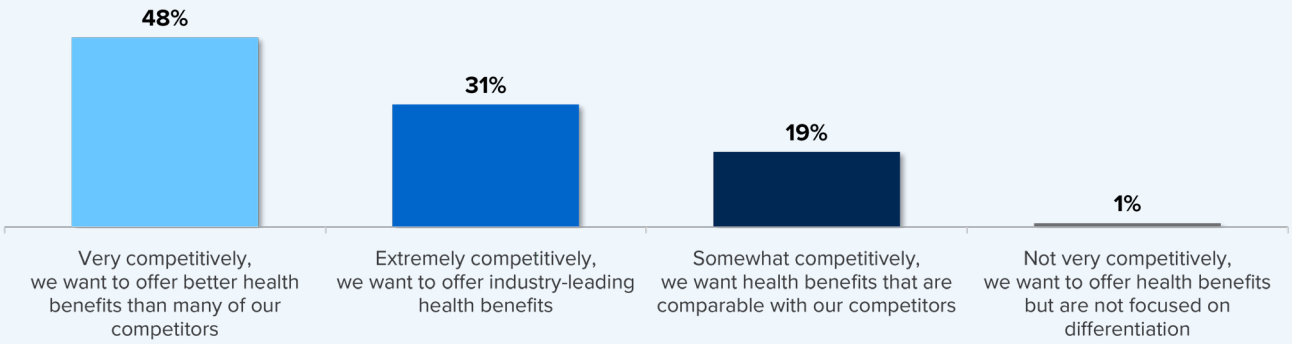
Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)



Competitive Pressures Continue To Influence Benefits Strategy

Employers still want their benefits to stand out. Nearly eight in ten (79%) aim to offer better health benefits than many competitors (48%) or industry-leading benefits (31%) **(Figure 10)**.

Figure 10: Matching competitors is not enough for most employers, making it important to manage costs without losing the benefits that distinguish their offering.

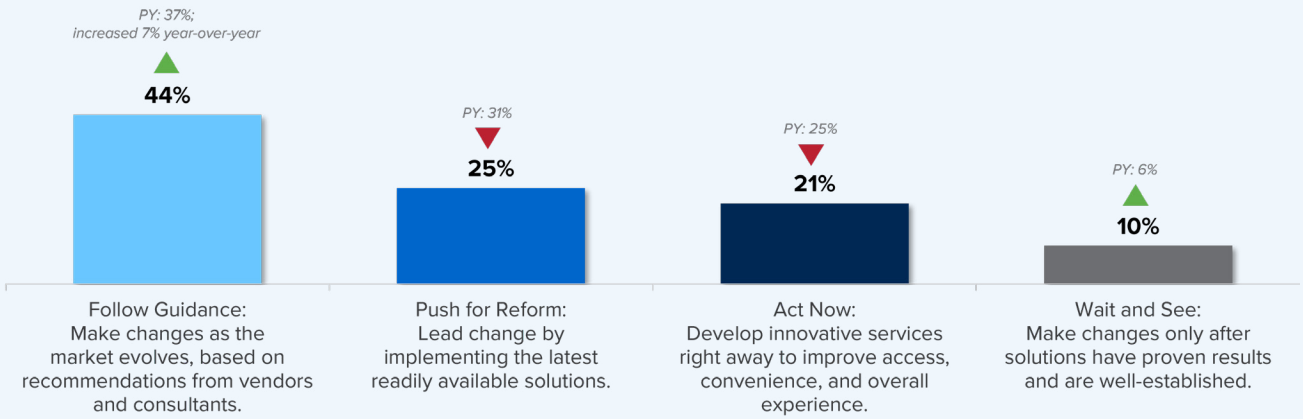


"Not at all competitively. We want to offer only basic health benefits that meet minimum expectations." was selected by 2 respondents.
Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2027
Base: Total decision makers (n=998)

When asked about driving change in the healthcare system, employers are leaning more on trusted guidance from vendors and consultants than in previous years, likely due to the high trend environment. Just under half (44%) describe their approach to driving change as "follow guidance," making changes as the market evolves based on recommendations from vendors and consultants, up from 37% last year.

Fewer describe themselves as leading change. "Push for reform" (25%) and "act now" (21%) total 46%, compared with 56% in 2026. Ten percent prefer "wait and see," up from 6% **(Figure 11)**.

Figure 11: Respondents to our survey are much more likely to 'Follow Guidance' than last year's survey, indicating that employers are more likely than before to follow the advice of a trusted advisor in 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

About the Brown & Brown Employer Health and Benefits Strategy Survey

The third annual 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 sponsor employee health and benefits plans. The survey was fielded from July 21 through August 28, 2026. The margin of error is +/-3%.

How Brown & Brown Can Help

As an industry-leading health benefits consulting and brokerage team, Brown & Brown has the people, resources, and know-how to help align your health plan with business and workforce strategy regardless of employer size, industry or location. To learn more, contact Brown & Brown.

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