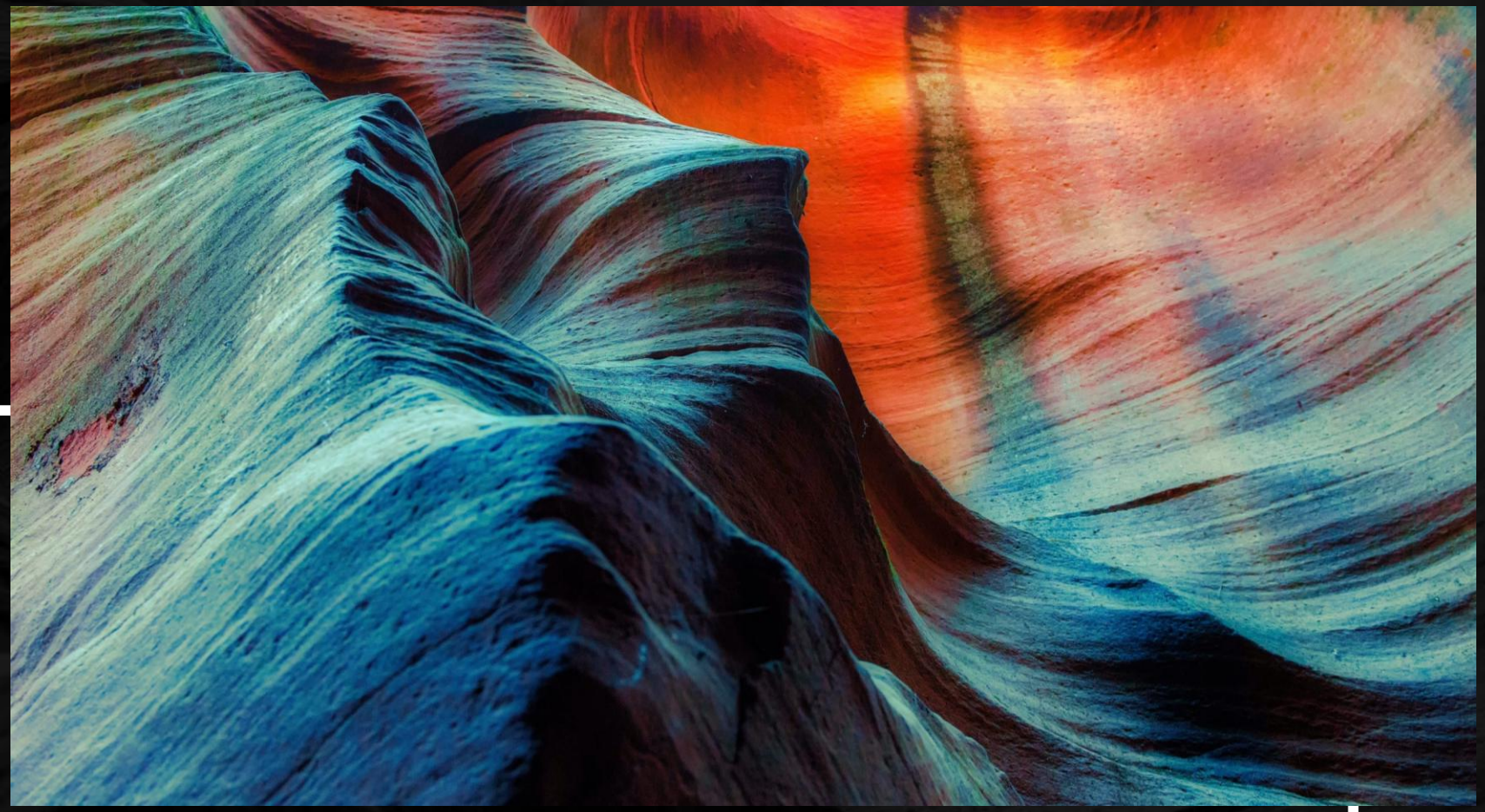

LOCKTON®



2026 LOCKTON
NATIONAL BENEFITS
SURVEY RESULTS

NAVIGATING COST PRESSURE IN BENEFITS DECISION MAKING

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INTRODUCTION

WHERE WE ARE

COST PRESSURE RESHAPING BENEFITS STRATEGY

As healthcare costs rise and economic pressures mount, **cost is a defining reality for employers.** The 2026 Lockton National Benefits Survey signals a **rapid acceleration of a trend that first took hold last year**. Reducing cost overtook attracting and retaining talent as the top factor in benefits decision-making in 2025, and in 2026, that gap has widened significantly. This reflects mounting financial strain, cementing cost as the dominant force shaping benefits strategy.

The data shows minimal movement across cost-management approaches, signaling that **plan sponsors are searching for solutions.** No single strategy has emerged as the dominant path forward. Rather than converging around one answer, plan sponsors appear to be testing multiple approaches, weighing savings against disruption and member experience — and in many cases, actual change remains limited.

As organizations look toward 2027 planning cycles — and historically high renewal rates — they need to make deliberate choices about which tradeoffs to accept and how aggressively to pursue savings. What has changed is not the presence of cost pressure, but the urgency to act — maintaining the status quo is no longer sustainable. In an environment where every decision matters, **incremental approaches will not be enough — the actions taken now will determine what comes next.**

2026 NATIONAL SURVEY OVERVIEW

1,705 PLAN SPONSORS ACROSS THE U.S.

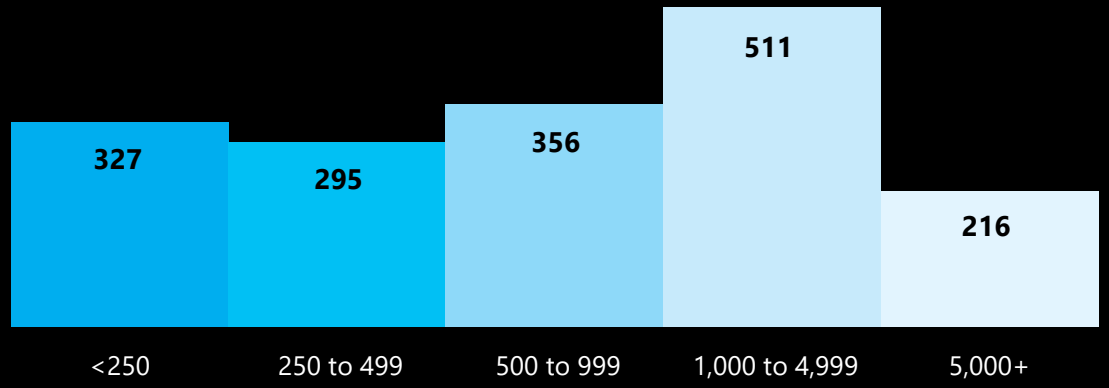
Responded to Lockton's 2026 National Benefits Survey. These plan sponsors span a wide range of industries, group sizes and ownership structures. Their responses offer a comprehensive view of how organizations are approaching employee benefits in today's evolving landscape.



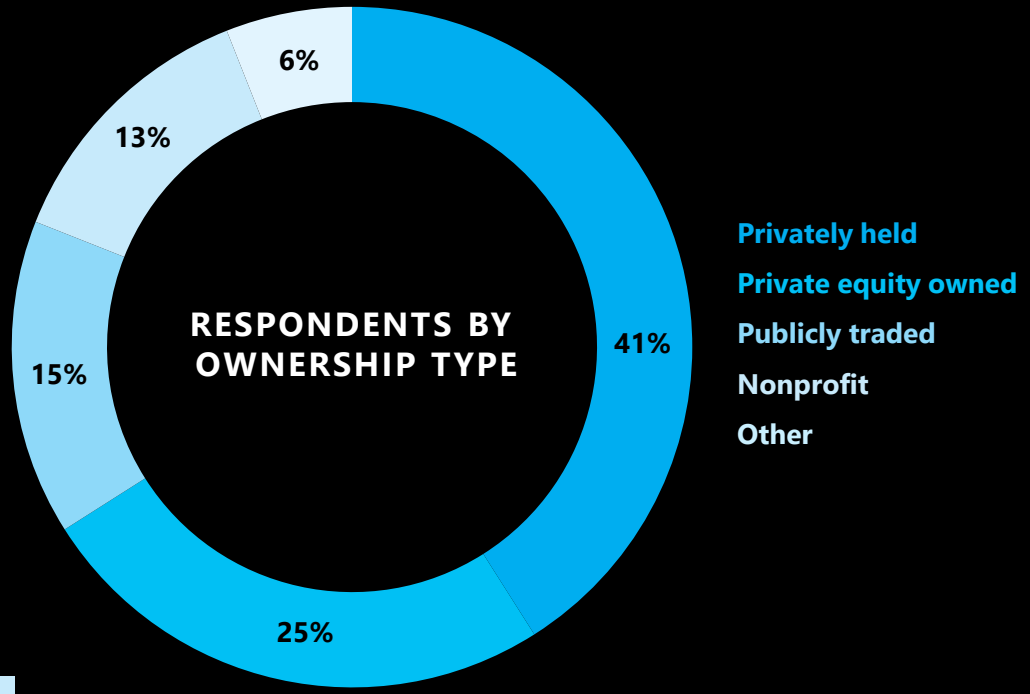
SURVEY: BY THE NUMBERS

This report features insights including **1,705 aggregated responses** collected in January and February of 2026.

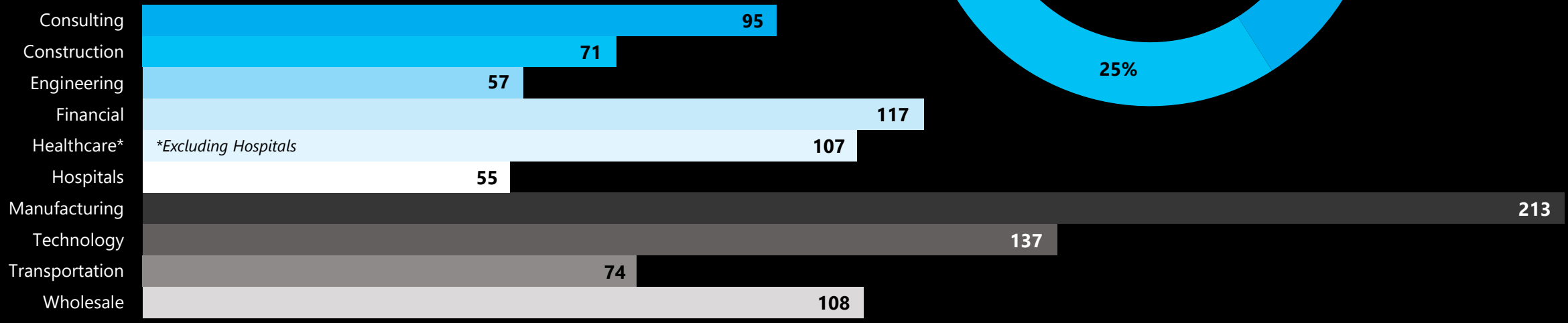
RESPONDENTS BY GROUP SIZE



RESPONDENTS BY OWNERSHIP TYPE



TOP 10 RESPONDENTS BY INDUSTRY



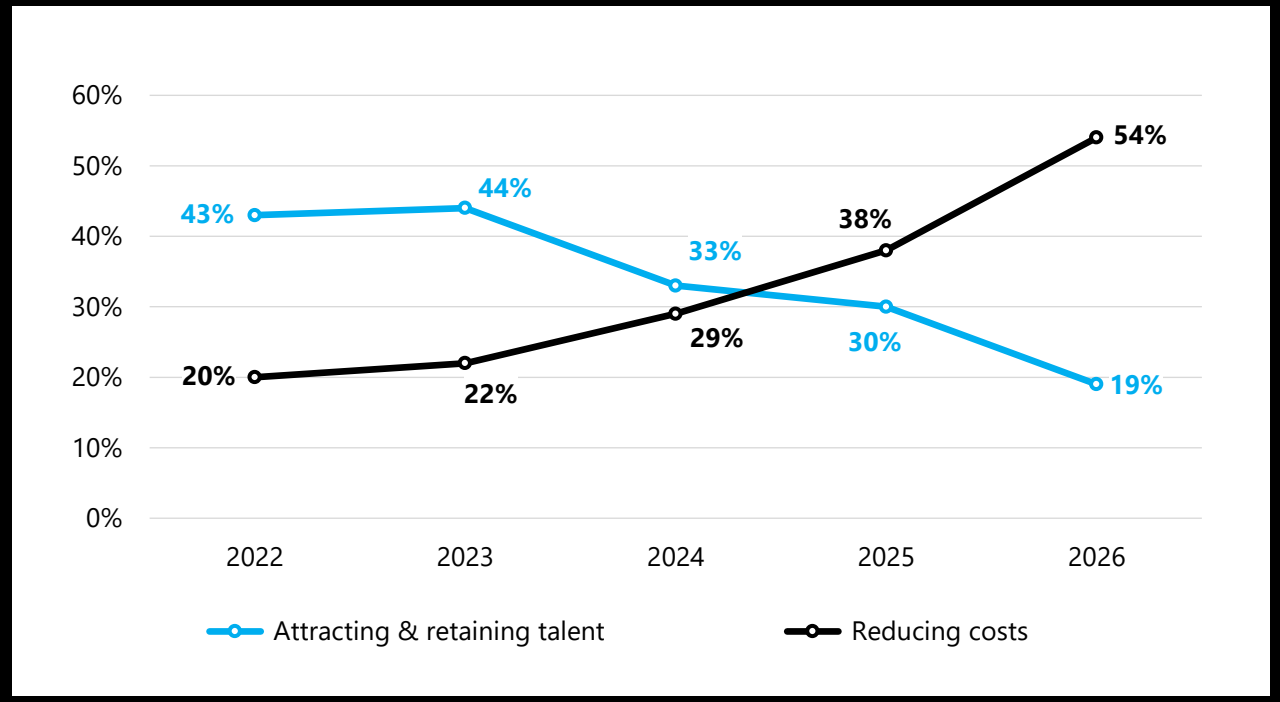
COST IS THE MOST IMPORTANT CONSIDERATION

IN BENEFITS DECISION-MAKING

Reducing cost remains the top priority for plan sponsors in 2026, and its lead has widened. More than half of respondents (54%) identify cost as the most important factor influencing benefits decisions — up sharply from 38% in 2025. Meanwhile, **attracting and retaining talent has continued to decline** as a top priority, falling to 19%.

Improving the quality of care continues to be a priority for 17% and meeting the diverse needs of workforce for 10% of respondents.





EMPLOYEE IMPACT STILL MATTERS

81% of employers report the impact to employees is a primary consideration and a determining influence as they evaluate changes to benefit plans.


OPTIMIZING PLAN COSTS

WHEN REDUCING COST, PLAN SPONSORS SHOULD LOOK AT FOUR KEY AREAS

Within these four areas, benefits strategies are shaped by company priorities and the need to balance cost management with member impact. In general, greater cost savings often require greater disruption. Strategies typically fall along a spectrum — from foundational approaches that minimize disruption, to progressive tactics, and ultimately disruptive changes that deliver the greatest savings.

PLAN OPTIMIZATION

Is your plan purchasing efficient?

Does member cost-sharing drive the right outcomes?

NETWORK SOLUTIONS

What is the right balance of access vs. cost and quality?

ELIGIBILITY MANAGEMENT

Do your eligibility definitions and member support match your plan's cost goals?

PHARMACY BENEFIT

Is your plan effectively purchasing and managing drug costs?

PLAN SPONSORS ARE LEVERAGING A RANGE OF COST-SAVINGS TACTICS

ADOPTION VARIES ACROSS APPROACHES, WITH NO SINGLE PATH EMERGING

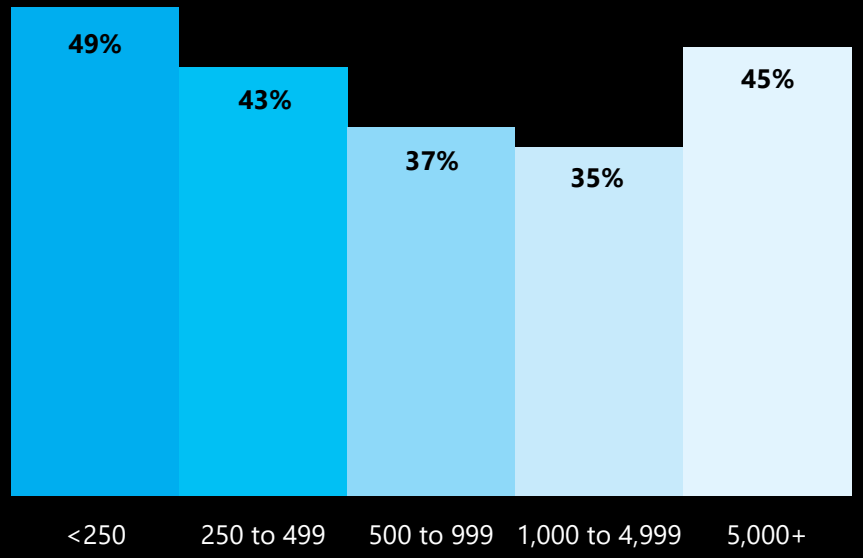
A word on featured data: In the remainder of the report, we primarily feature results from **self-funded plan sponsors only** (unless otherwise noted), as they have greater control over their cost structures and more flexibility to implement cost-saving strategies. This makes their insights particularly valuable for understanding how plan sponsors can optimize benefit plans and effectively manage healthcare costs.

CATEGORIES	FOUNDATIONAL TACTICS LESS SAVINGS/LESS DISRUPTION	PROGRESSIVE TACTICS	DISRUPTIVE TACTICS MORE SAVINGS/MORE DISRUPTION
PLAN OPTIMIZATION	• Carrier/ TPA-provided buy-up resources for advocacy/navigation services **22%** • Make price-quality data available to members **12%**	• Stop-loss captive **12%** • Chronic condition management (buy-up or carve-out solutions beyond carrier's traditional programs), e.g., cardiometabolic **30%,** musculoskeletal **32%** and cancer **18%**	• ICHRA **1%** *(total respondents)*
NETWORK SOLUTIONS	• Use of carrier narrow/high-performing networks **39%**	• Healthcare plan that uses proprietary network in key geographies **8%** • Direct contracting with a health system or hospital **7%**	• Reference-based pricing **7%**
ELIGIBILITY MANAGEMENT	• Spousal surcharge **23%** • Engage outside vendor to educate 65+ employees on Medicare **36%** • Engage outside vendor to educate COBRA-eligible employees **6%**	• Exclude spouses with access to other coverage **13%**	• Exclude all spouses **2%**
PHARMACY BENEFIT	• Pharmacy carved in with medical carrier **67%** • Specialty medicine only from specialty pharmacy **40%**	• Specialty management carved out from PBM **26%** • Mandatory specialty site of care management **3%**	• International sourcing **7%**

Denotes noteworthy tactic where plan sponsors have shown notable interest

PLAN SPONSORS PRESERVE BROAD ACCESS DESPITE COST PRESSURE

SELF-FUNDED RESPONDENTS USING CARRIER/ HIGH-PERFORMING NETWORKS (n = 1,032)



Ninety-four percent (94%) of self-funded plan sponsors still offer broad national networks, underscoring plan sponsors' cautious pursuit of cost control while preserving employee choice.

Thirty-nine percent (39%) are leveraging the cost-saving tactic of carrier narrow/high-performing networks — networks that consist of providers selected for their cost efficiency and quality. More than half of plan sponsors who use this tactic have it as optional rather than a required migration.

54% OFFER NARROW/HIGH-PERFORMING NETWORKS AS AN OPTION;

46% MAKE THEM THE ONLY OPTION

The choice to switch to a carrier narrow/high-performing network can help reduce cost while preserving access to quality care. Continuing to expand or refine these networks can help drive more savings and improve outcomes.

HOW REGIONS ARE LEVERAGING CARRIER NARROW/HIGH-PERFORMING NETWORKS: (n = 1,032)

33% NORTH CENTRAL

36% NORTHEAST

41% SOUTH CENTRAL

41% SOUTHEAST

53% WEST

PHARMACY COST STRATEGIES VARY WIDELY ACROSS PLAN SPONSORS

One-third (33%) of self-funded survey respondents carve out pharmacy benefits, while 67% continue to bundle pharmacy with their medical plan.

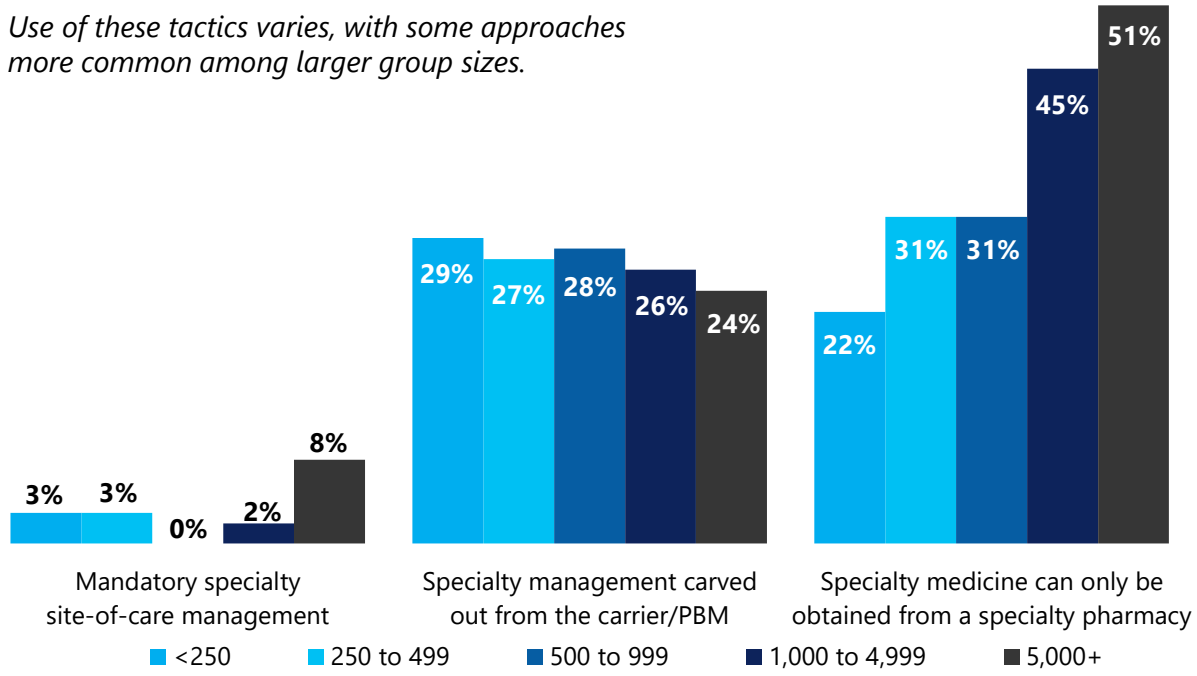
Plan sponsors are engaging with specialty pharmacy strategies as one way to manage rising costs, **though adoption varies.** Forty percent (40%) require medications to be obtained through a specialty pharmacy, 26% carve out specialty management and just 3% implement site-of-care management.

At the same time, 43% of respondents report using none of the listed specialty pharmacy cost-saving approaches — despite specialty drugs being a primary driver of pharmacy spend.

As costs continue to rise, plan sponsors will want to give strong consideration to the various pharmacy tactics available to them to manage cost.

SPECIALTY PHARMACY TACTICS SELF-FUNDED PLAN SPONSORS ARE UTILIZING (n = 1,020)

Use of these tactics varies, with some approaches more common among larger group sizes.



46% OF PLAN SPONSORS REPORT THEY WOULD CONSIDER INTERNATIONAL SOURCING AS PART OF THEIR PHARMACY STRATEGY,

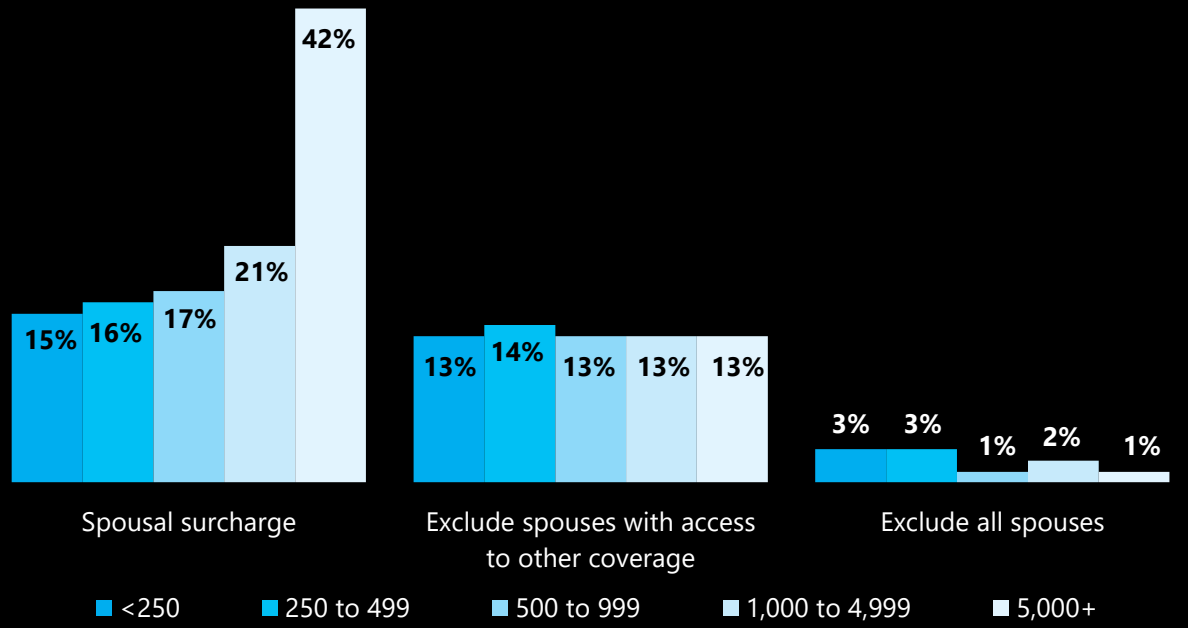
even with the compliance risks associated with the strategy, **while 7% currently use it.** This suggests a notable **level of interest in alternative approaches, even those with inherent compliance risks**, and although adoption remains limited — this points to a growing willingness to explore more complex, risky, or non-traditional strategies to manage costs.

ELIGIBILITY STRATEGIES ARE SELECTIVELY USED TO MANAGE COST EXPOSURE

On average, spousal plan paid costs are 35% more vs. eligible employees[1]. Spousal eligibility strategies are one approach employers use to help manage costs, though adoption remains selective. **Twenty-three percent (23%) of self-funded survey respondents apply a spousal surcharge.** More restrictive strategies have lower uptake, with 13% excluding spouses with access to other coverage and fewer than 3% excluding all spouses.

The limited use of more restrictive tactics suggests plan sponsors are choosing to implement cost saving strategies that limit disruption to members.

SELF-FUNDED PLAN SPONSORS USING SPOUSAL ELIGIBILITY TACTICS
(n = 1,029)



LARGE GROUP SIZES HAVE HIGH USAGE OF SPOUSAL SURCHARGE

Application of a spousal surcharge increases with group size, but the largest employers (5,000+) are the most likely to adopt it — at twice the rate of the next largest group (1,000 to 4,999).

EDUCATING EMPLOYEES OF ALTERNATIVE COVERAGE OPTIONS CAN LEAD TO SAVINGS AND REDUCE RISK (n=1,031)

36% ENGAGE OUTSIDE VENDORS TO EDUCATE 65+ EMPLOYEES ABOUT MEDICARE OPTIONS

16% ENGAGE OUTSIDE VENDORS TO EDUCATE COBRA-ELIGIBLE EMPLOYEES

9% ENGAGE OUTSIDE VENDORS TO EDUCATE THOSE ELIGIBLE FOR OTHER GOVERNMENT PROGRAMS

[1] *Lockton BoB, Infolock ® Jul 2024 - June 2025, PMPM.*

CHRONIC CONDITION STRATEGIES TARGET HIGH-COST DRIVERS BUT REMAIN LIMITED

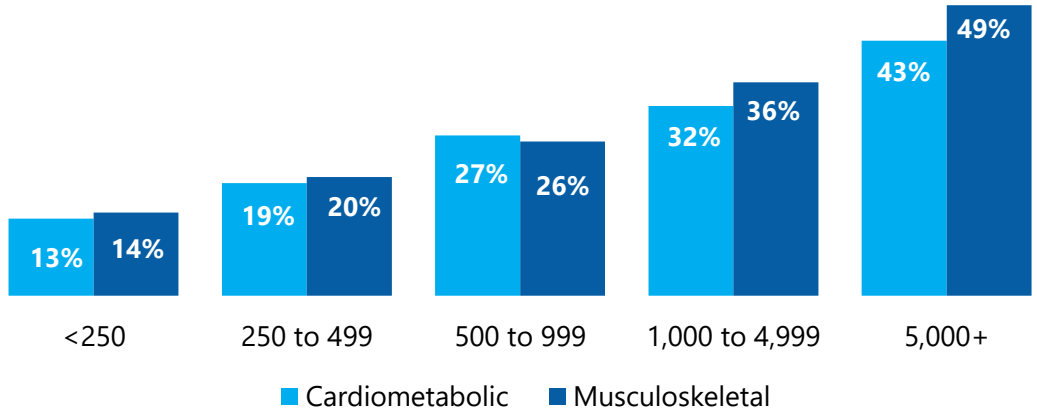
Plan sponsors are **selectively implementing buy-up solutions beyond carrier provided to manage high-prevalence chronic conditions.** Thirty percent (30%) of self-funded plan sponsors report offering cardiometabolic management (e.g., diabetes, hypertension), and 32% offer musculoskeletal programs (e.g., arthritis, chronic pain) — higher than other areas such as cancer (18%).

While adoption is limited overall, these strategies represent a focused approach to improving care for conditions that drive a significant share of healthcare utilization and spending. By **supporting earlier intervention and ongoing management**, they **may help reduce high-cost claims over time**.

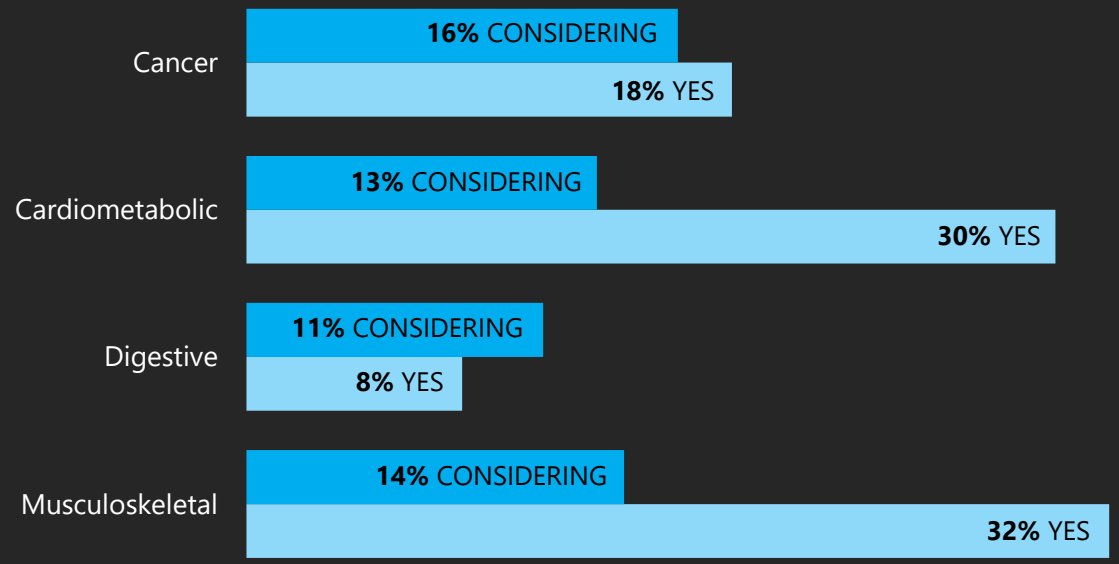
LARGE EMPLOYERS SHAPE MARKET TRENDS

Adoption increases with group size, with larger plan sponsors more likely to implement these programs. This suggests greater focus on targeted interventions among organizations with more resources and scale.

SELF-FUNDED PLAN SPONSORS OFFERING CHRONIC CONDITION MANAGEMENT PROGRAMS (n = 1,031)



SELF-FUNDED PLAN SPONSORS OFFERING CHRONIC CONDITIONS AS A TOTAL (n = 1,031)



FULLY INSURED PLAN SPONSORS OPERATE WITHIN A NARROWER SET OF COST MANAGEMENT OPTIONS

While this report primarily focuses on self-funded plan sponsors — who typically have greater flexibility to influence cost — fully insured plan sponsors account for 33% of survey respondents. **This group has a narrower range of cost management levers available.**

Within these parameters, fully insured employers are **taking steps to manage healthcare costs, most commonly through network strategies that influence where care is delivered**. Nearly half (49%) offer narrow/high-performing networks, while others use multi-carrier approaches to manage cost and access (23%). Plan-related and eligibility strategies, such as health reimbursement accounts (HRAs) and spousal surcharges, are used more selectively to help manage costs.

Overall, these approaches **reflect a more incremental path to managing costs** in fully insured plans, rather than large-scale or more direct interventions.

STRATEGIES FULLY INSURED PLAN SPONSORS ARE DEPLOYING

PLAN OPTIMIZATION

18% offer **HRAs** to reduce cost of direct premium and offset out-of-pocket costs

NETWORK SOLUTIONS

49% offer **narrow/ high-performing networks**

23% use multiple carriers to manage cost and access

ELIGIBILITY MANAGEMENT

17% apply a **spousal surcharge**

7% exclude spouses with access to other coverage

DRIVING ACCESS & QUALITY OF CARE

DESPITE COST PRESSURES PLAN SPONSORS CONTINUE TO INVEST IN SOLUTIONS AND ACCESS TO QUALITY CARE

While **reducing costs is the top priority for survey respondents, it is not the only consideration.** Notably, 17% of plan sponsors still rank improving quality of care as their top priority, compared to 54% who prioritize cost reduction. This highlights that quality is still a key focus for a meaningful subset of employers.

Rather than pulling back broadly, self-funded plan sponsors are **maintaining investments in targeted areas** that support access and care quality — suggesting a more selective approach to balancing cost pressures with member needs.



SOME PLAN SPONSORS OFFER GLP-1S BUT FEW HAVE A DEFINED STRATEGY

Fifty-four percent (54%) of plan sponsors do not cover GLP-1 medications for weight loss and are not considering it, making **non-coverage the most common position.** While 22% currently offer coverage, 5% are considering removing it, reflecting ongoing reassessment of offering this benefit.

Among those offering GLP-1 coverage for weight loss, 24% require participation in a lifestyle management program and another 24% are considering doing so.

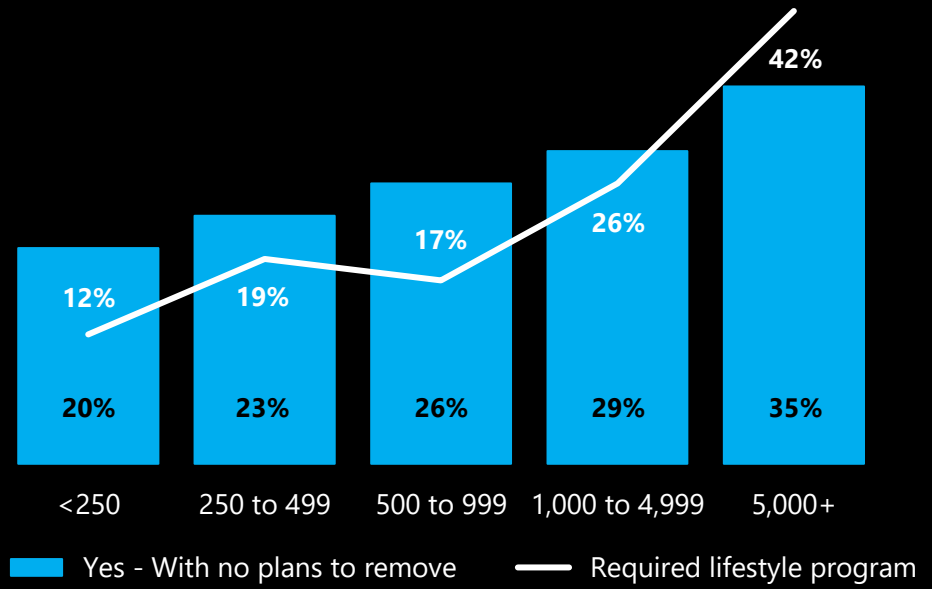
This suggests that rather than offering broad, unrestricted coverage, some plan sponsors are taking a more structured approach — using program requirements to improve outcomes while maintaining greater control over utilization and cost.

HIGH AWARENESS, LIMITED ACTION

Despite **67%** of plan sponsors being aware of emerging GLP-1 indications (e.g., sleep apnea), **86%** lack an overall coverage strategy.



PLAN SPONSORS OFFERING GLP-1 COVERAGE FOR WEIGHT LOSS (n = 453)



TAKEAWAY

GLP-1 coverage increases with group size, along with the use of required lifestyle programs.

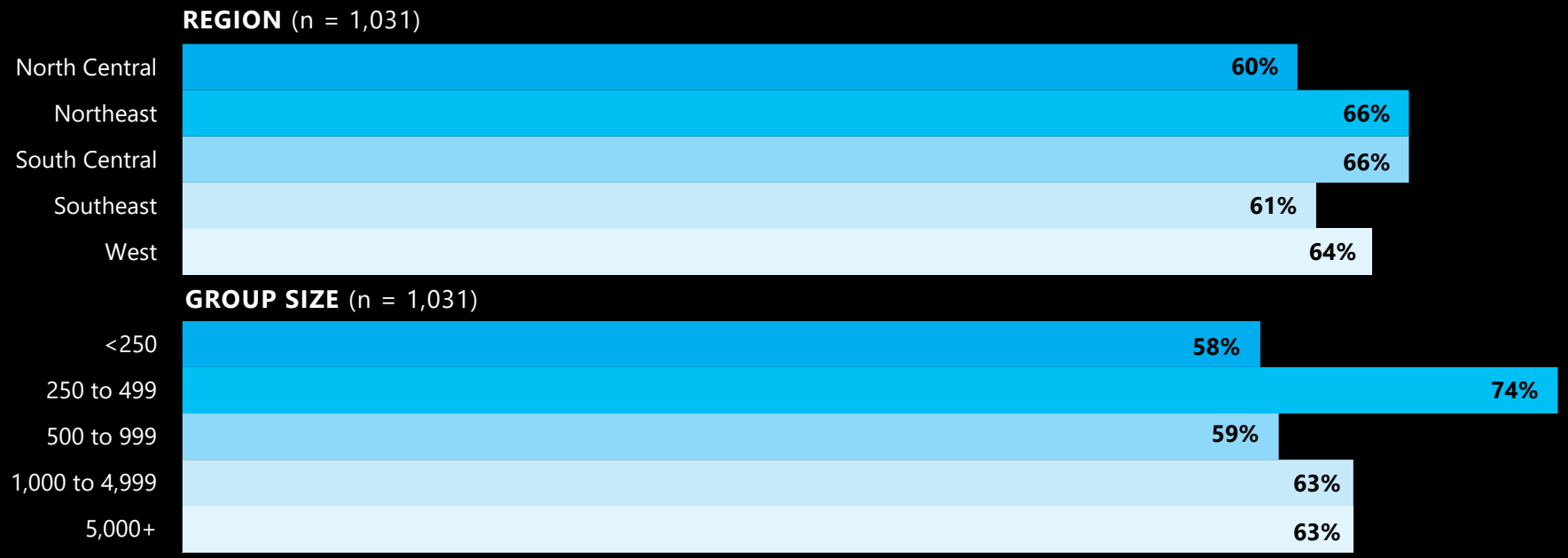


BEHAVIORAL HEALTH ACCESS IS EXPANDING BUT NOT EVENLY

Sixty-three percent of plan sponsors offer enhanced Employee Assistance Program (EAP) offerings, **expanding access to behavioral health support through a scalable, low-barrier entry point.**

Enhanced EAP programs enable members to access behavioral health support earlier and more easily, helping reduce common barriers to care. **Adoption has little variation across regions and company size.**

ENHANCED EAP ADOPTION BY REGION & GROUP SIZE



TAKEAWAY

Mid-sized employers (250 to 499 employees) stand out with the highest behavioral health enhanced EAP adoption.

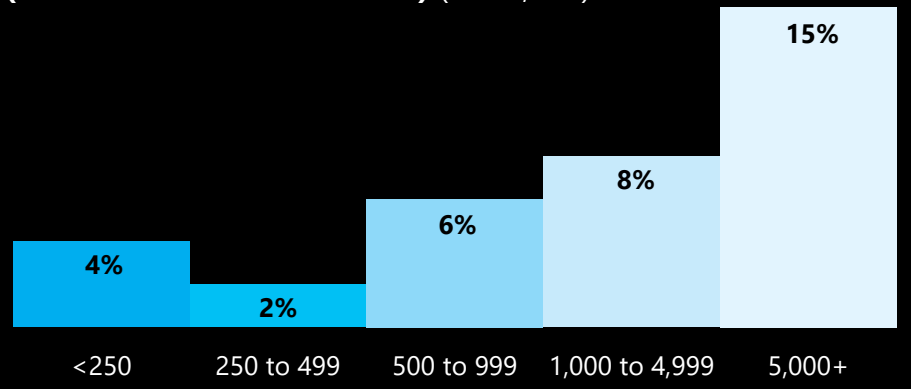
ADVOCACY AND NAVIGATION REMAIN LARGELY REACTIVE

A member's ability to successfully navigate the healthcare system is shaped not only by what is covered, but by the level of guidance provided. Forty-one percent (41%) of self-funded survey respondents offer billing and claims support, while more comprehensive solutions remain less widely adopted.

Most plan sponsors are supporting members after issues arise, rather than guiding them proactively through care decisions. Navigation capabilities become more advanced with plan sponsor size, with larger organizations **more likely to offer more coordinated, end-to-end navigation support.**

As plan sponsors look to improve outcomes and manage costs, **more proactive and integrated navigation strategies** may represent an area of future focus.

SELF-FUNDED PLAN SPONSORS OFFERING CARVEOUT CARE MANAGEMENT/THIRD-PARTY CUSTOMER SERVICE (INTEGRATED NAVIGATION) (n = 1,029)



An additional 6% of respondents are considering offering this benefit

TYPES OF NAVIGATION SUPPORT OFFERED BY SELF-FUNDED PLAN SPONSORS (n = 1,029)

	REACTIVE SUPPORT	GUIDED SUPPORT	INTEGRATED NAVIGATION
TYPES OF SUPPORT	Billing & claims support	Clinical + billing & claims support	All carve-out care management and customer service outsourced to TPA
WHAT IT PROVIDES	Issue resolution	Care decision support	End-to-end coordination
% OF PLAN SPONSORS	**41%**	**20%**	**8%**


SUPPORTING YOUR WORKFORCE

WORKFORCE SUPPORT REMAINS A PRIORITY, EVEN AMID COST PRESSURE

Seventy-three percent (73%) of survey respondents report that employee wellbeing programs are a priority that their organization is investing in.

Plan sponsors are addressing workforce needs through a range of programs, including affordability strategies, financial wellbeing resources and benefits that support employees across life stages.

As organizations refine their benefits strategies amid rising cost pressures, **a more deliberate approach to investment** will be essential — **grounded in a clear understanding of which programs employees value** most and where support can have the greatest impact.



FAMILY AND LIFE-STAGE SUPPORT

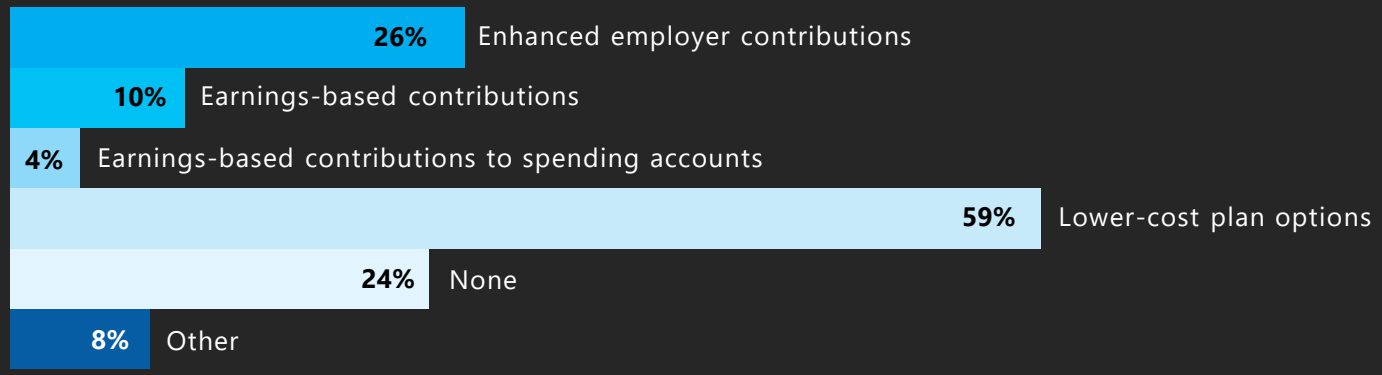
HEALTHCARE AFFORDABILITY AND FINANCIAL ASSISTANCE

PLAN SPONSORS ARE ADDRESSING AFFORDABILITY, BUT LARGELY INDIRECTLY

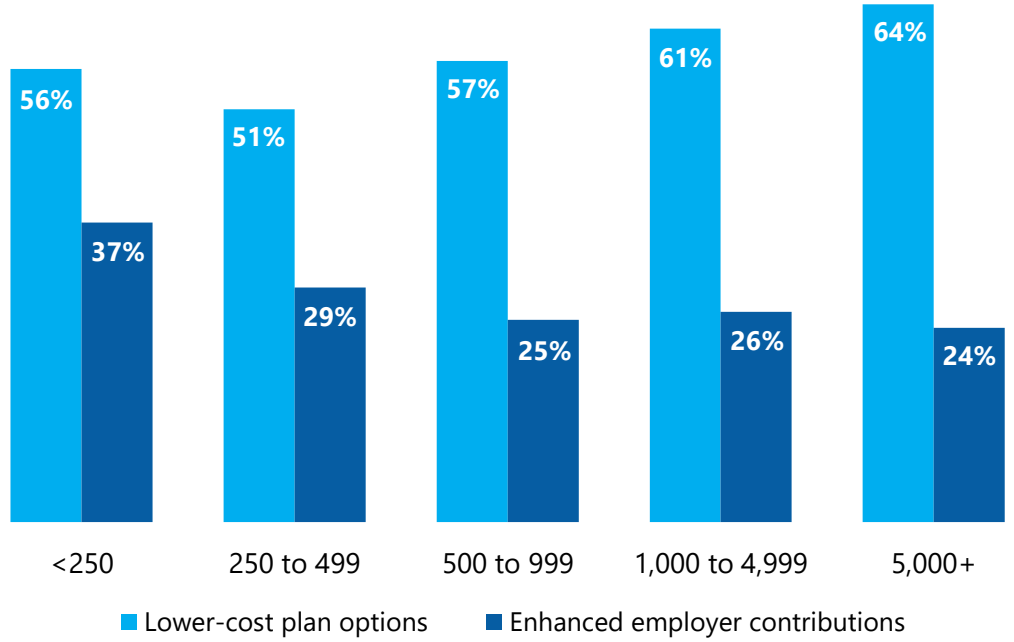
Most self-funded plan sponsors are taking steps to address healthcare affordability, with 59% offering lower-cost plan options and 26% offering enhanced employer contributions. However, nearly one-quarter (24%) of respondents report taking no action.

Among those taking action, **efforts are primarily focused on broad plan design and contribution strategies**, while more targeted approaches, such as earnings-based contributions, remain less common (10%).

APPROACHES TO IMPROVING HEALTHCARE AFFORDABILITY AMONGST SELF-FUNDED PLAN SPONSORS (n = 1,020)



LOWER-COST PLAN OPTIONS AND ENHANCED EMPLOYER CONTRIBUTIONS BY GROUP SIZE (n = 1,020)



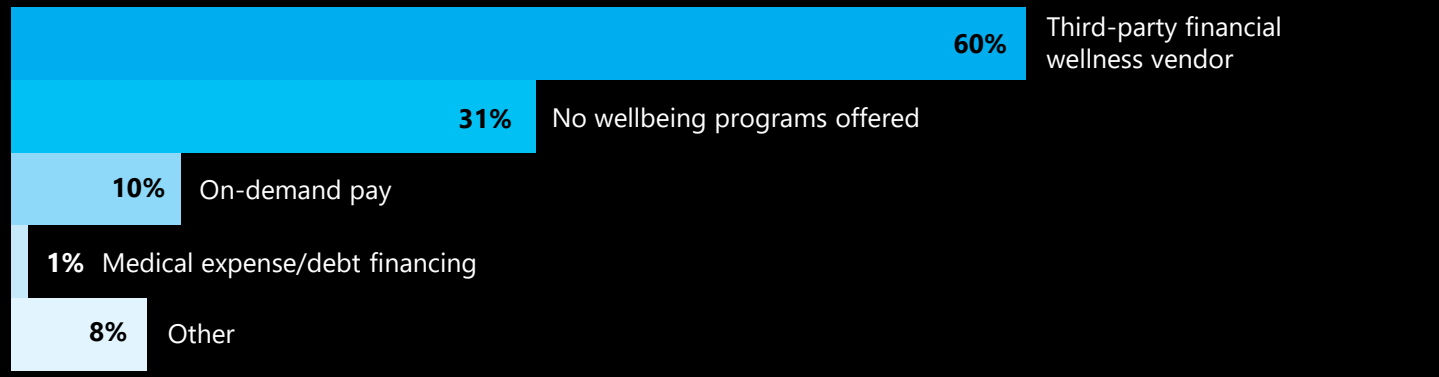
FINANCIAL WELLBEING SUPPORT IS WIDESPREAD, BUT THROUGH TOOLS AND LONG-TERM SUPPORT

Many employers offer financial wellbeing support, with 60% providing access to financial wellbeing vendors and 53% offering tuition assistance/reimbursement programs.

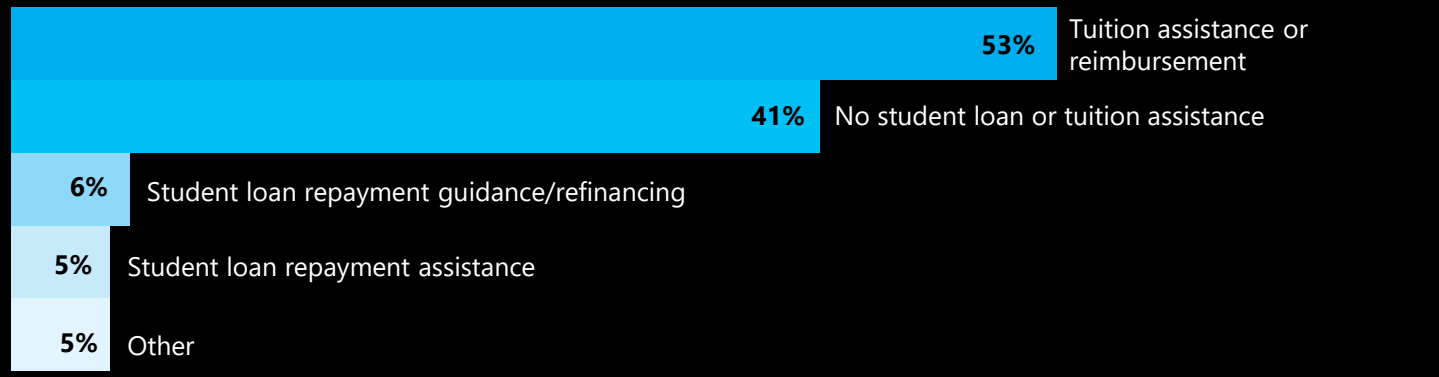
However, more direct forms of financial support — such as student loan repayment, on-demand pay or medical expense/debt financing, are far less common.

Overall, **financial wellbeing efforts are concentrated in tools and longer-term benefits,** while programs that provide more immediate financial relief are less widely adopted.

SUPPORT FOR EMPLOYEE FINANCIAL WELLBEING AMONG ALL PLAN SPONSORS
(n = 1,688)



OFFERING STUDENT LOAN OR TUITION ASSISTANCE AMONG ALL PLAN SPONSORS (n = 1,693)



FAMILY PLANNING AND CARE BENEFITS ARE UNEVENLY ADOPTED

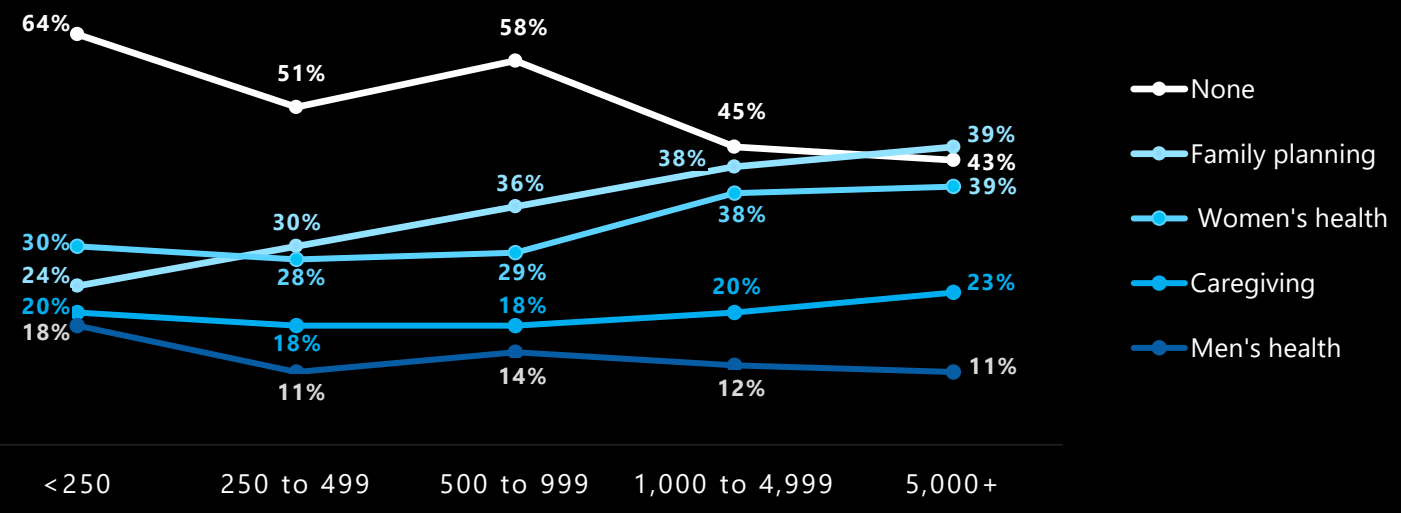
Nearly half (49%) of self-funded survey respondents **report offering no family planning, women's health or caregiving benefits**, indicating that these programs are not widely adopted.

Among plan sponsors that do offer support, family planning benefits are the most common at 38%, followed by women's health programs at 34%, while caregiving support is less prevalent at 20%.

These findings highlight variation among plan sponsors, **with some offering targeted benefits that support employees across life stages while many offer none of these programs**.

FAMILY PLANNING AND WORKFORCE SUPPORT BENEFITS OFFERED BY SELF-FUNDED PLAN SPONSORS (n = 638)

Adoption rises with size, yet a significant share of plan sponsors across all segments offer none of these programs



A LOOK ACROSS REGIONS (n = 638)

Plan sponsors in the Northeast, followed closely by those in the North Central, report the highest adoption of these programs, while other regions trail more modestly

	FAMILY PLANNING	CAREGIVING
NORTH CENTRAL	43%	25%
NORTHEAST	48%	27%
SOUTH CENTRAL	35%	12%
SOUTHEAST	34%	19%
WEST	29%	21%


COMMUNICATION & ENGAGEMENT

PLAN SPONSORS WIDELY COMMUNICATE BENEFITS, BUT APPROACHES VARY IN SOPHISTICATION

Sixty-eight percent (68%) of survey respondents use benefits websites year-round, and 68% use them during open enrollment, making **digital communication a foundational approach** to helping members understand and engage with their benefits.

While these channels help deliver information at scale, approaches vary in how much guidance they provide. Tools that offer additional support — such as decision tools (45%) and call centers (40%) — are less consistently adopted.

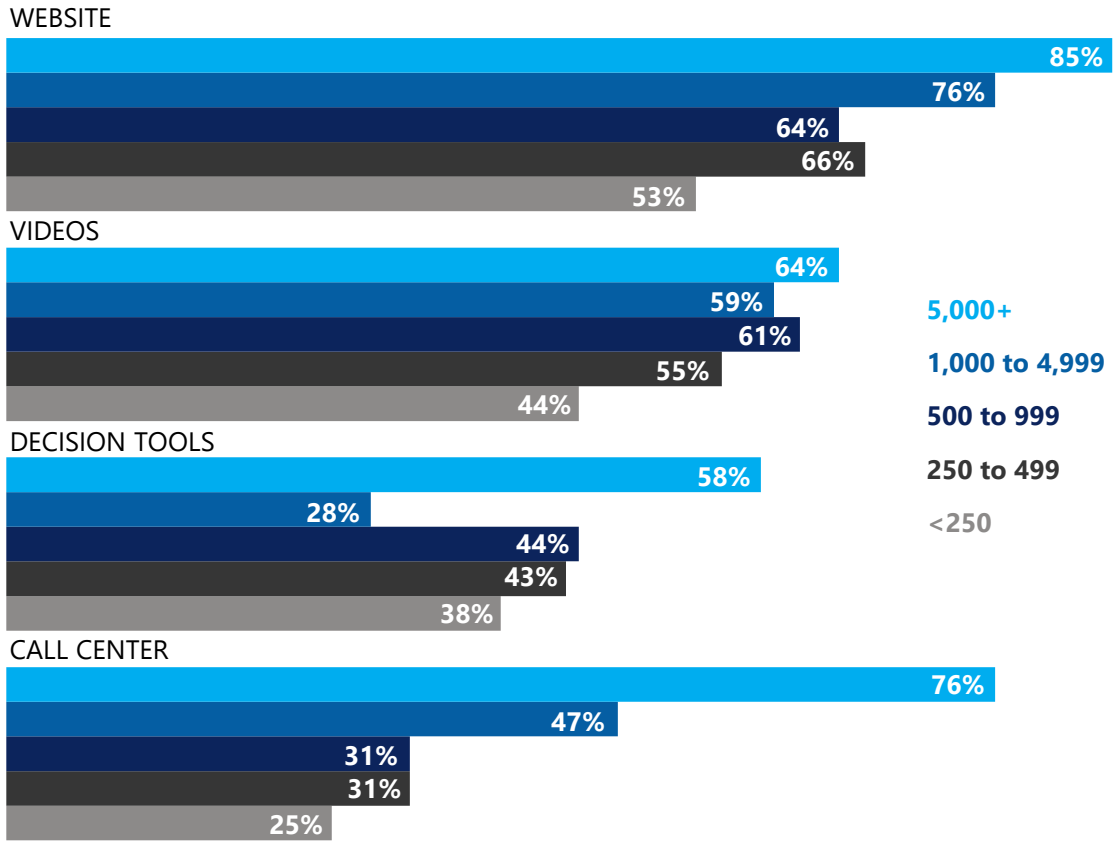
Adoption of these more guided support resources increases with employer size, with larger organizations more likely to complement digital communication with tools that help guide member decisions.

As plan sponsors look to improve benefit engagement, **expanding beyond information-sharing to more guided support may present an opportunity** to further support member understanding, engagement and use of benefits.

24% OF ALL SURVEY RESPONDENTS ARE USING **AI IN COMMUNICATIONS** RELATED TO EMPLOYEE BENEFITS

COMMUNICATION TACTICS USED BY ALL PLAN SPONSORS (n = 1,692)

Larger plan sponsors are more likely to complement digital communication with tools that help guide member decisions:



AI IS GAINING INTEREST, BUT NOT YET BROADLY IMPLEMENTED IN BENEFITS

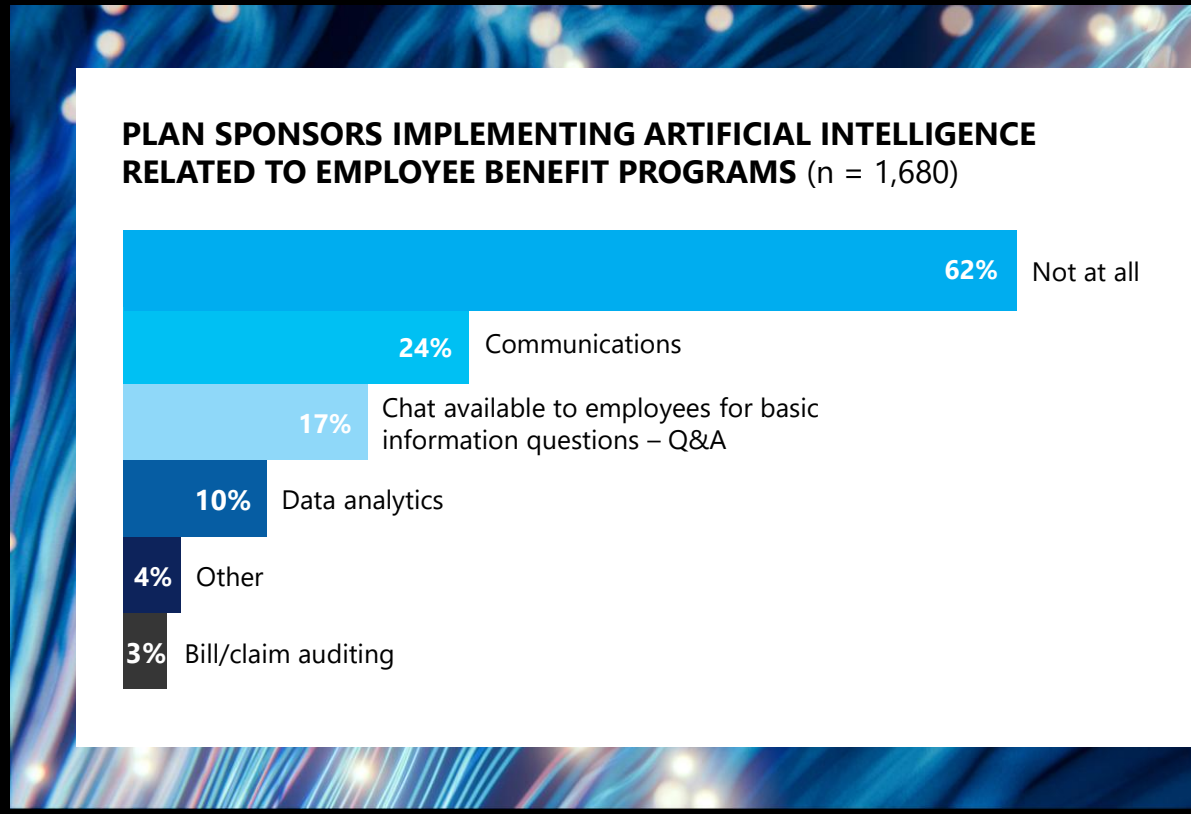
Most plan sponsors have not yet implemented artificial intelligence (AI) related to employee benefit programs. **Nearly two-thirds (62%) report no current use, indicating that AI has not reached broad adoption within benefits.** At the same time, survey responses suggest growing interest, with a subset of respondents exploring potential applications.

WHAT "OTHER" RESPONSES REVEAL ABOUT AI EXPLORATION IN BENEFITS

Among respondents who selected "Other" and provided additional detail, comments suggest that AI use in benefits is largely exploratory and early-stage, rather than fully implemented. Common themes included:

- **AI-enabled ticketing or case management systems** to support employee inquiries
- **AI embedded within HRIS, benefits administration or human capital management (HCM) platforms**
- **AI-supported education tools,** such as new hire or open enrollment videos

Many respondents described these capabilities as "in development," "being evaluated" or planned for the future.



INDEPENDENCE

changes everything.

LOCKTON®

UNCOMMONLY INDEPENDENT

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