

A rising cost for employers is expected to grow even more next year



Image: Bethan

The expected increase would continue what's already been a five-year run of rising costs.

Story Highlights

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- Aon projects U.S. employer healthcare costs will grow 9.5% in 2027.
- Employer healthcare cost growth has accelerated from 3.7% in 2022 to 8.8% in 2026.
- GLP-1 weight-loss drugs are impacting pharmacy cost increases.

Companies are spending more than ever on employee health insurance, and that expenditure is likely to increase even more next year.

That's the [latest projection from global professional services firm Aon](#), which is forecasting that U.S. employer healthcare costs will rise 9.5% in 2027. That will make the average healthcare cost more than \$19,000 per employee when the employer's share and employee's share of costs are combined.

An additional point of concern for employers is that not only is the cost itself increasing, but the rate of increase also is rising. Between 2021 and 2022, employer costs grew 3.7%. Since then, the annual increase has become 4.5% in 2023, 6.4% in 2024, 7.2% in 2025 and 8.8% this year, according to Aon.

Similarly, the employee's share has gone from a 2.9% increase between 2023 and 2024 to a 5.5% increase in 2025 and 7.9% this year.

"Employers have now experienced several consecutive years of healthcare cost increases that are approaching double digits," said Mike Pasterick, North America health solutions leader for Aon. "At this level, rising healthcare costs become much more than a budgeting challenge and influence organizational decisions from benefits strategy and employee affordability to broader workforce and financial planning priorities."

Aon reports that an employer's subsidy on average this year is 82.2% of a healthcare plan's total cost, up from 81.8% in 2025 and accounting for \$14,432 of the average plan's \$17,562 total cost.

The employer cost increase varies by industry, according to Aon. Finance and insurance companies saw a 9.8% increase in costs from 2025 to 2026, followed by technology and communications companies at 9.1%, and public sector jobs at 8.8%. Healthcare companies saw the lowest employer cost increase among the industries tracked, rising 6.5% from 2025 to 2026.

"The organizations best positioned for the future will be those that can proactively identify emerging risks and take targeted action before costs escalate," said Debbie Ashford, North America chief actuary, health solutions, for Aon. "Healthcare costs are becoming increasingly difficult to manage through traditional approaches alone. Employers will need better data and deeper insights to understand where costs are rising and how they can make more informed decisions about their healthcare investments."

Employers prioritize healthcare benefits

Aon is not the only firm predicting soaring health-insurance costs. [Consulting firm WTW has projected healthcare costs will go up 11.1% in 2027](#), the highest rate of increase in more than two decades.

Part of what is driving higher costs is the [growing pervasiveness of a popular class of weight-loss drugs known as GLP-1s](#). Known for years for treating diabetes, GLP-1 drugs more recently have become a popular weight-loss measure. The class of drugs includes the brand names Ozempic, Mounjaro, Zepbound and Wegovy.

[Seventy percent of employers surveyed by NFP, an Aon company](#), said they anticipate that pharmacy costs will increase in the coming year, with 51% citing GLP-1s as a contributing factor.

The push for broad inclusion of the class of medicines in healthcare plans [has become a flashpoint between insurers, employers and workers](#).

Employers see healthcare and health-related benefits as [the most important benefit they can provide to their workers](#), according to the Society for Human Resources' 2025 edition of its Employee Benefits Survey. That ranks healthcare benefits ahead of retirement accounts, paid-leave benefits and flexible-work schedules. The survey found that 23% of employers offer GLP-1 drug coverage for type 2 diabetes and/or weight management.

[According to a report by the Kaiser Family Foundation](#), both the number and the cost of GLP-1 prescriptions are growing. The foundation found that the number of GLP-1 prescriptions grew from about 1 million in 2019 to 9 million in 2024, while overall spending grew from about \$1 billion to \$9 billion during that same time.

The drug accounted for about 1% of all Medicaid prescriptions as of 2024, KFF said. However, GLP-1 spending accounted for about 8% of all Medicaid prescription drug spending before rebates in 2024, up from 1% in 2019.

While costs per prescription reached about \$1,000 last year, the KFF report stressed that drug companies have offered substantial rebates and discounts to states, accounting for about 40% of the cost of the drugs in total.