

Survey Finds Employers Expect 9% Increase in Health Care Costs in 2026

A [recent survey](#) of large employers by the Business Group on Health (BGH) revealed that U.S. employers predict a 9% increase in health care costs for 2026. This would be the most significant annual increase in health care costs in more than a decade, marginally outpacing recent years where employers generally predicted 7%-8% growth in costs.

Employers project 9% increases before plan design changes and 7.6% after cost-controlling measures, such as cost sharing, revisiting benefits offers and evaluating vendors.

Employers credit this increase in part to the high cost and usage of glucagon-like peptide 1 (GLP-1) agonists, more prevalent high-cost treatments, rising incidences of chronic and complex conditions, and an uptick in mental health conditions. Employers expect pharmacy cost trend to increase by 12% in 2026 (11.3% after plan design changes).

The BGH survey gathered data from 121 employers, insuring 11.6 million people. In the survey, employers shared their top areas of concern, including the following:

- **There is a rise in the use of expensive obesity medications.** The survey found that 79% of employers have seen greater use of GLP-1s, with an additional 15% anticipating an increase in the future.

- **Cancer is the top condition driving employer health care costs.** The prevalence of cancer has been made worse by an increase in cancer diagnoses and escalating costs of treatment.
- **The use of mental health services has increased.** The survey found that 73% of employers reported an increase in mental health services.

According to the Business Group on Health survey data, employers are implementing several cost management strategies. Employers surveyed say they will focus more on preventive care and screening coverage, limit or reduce coverage for GLP-1 agonists, bargain harder with vendors and explore nontraditional prescription drug models.

“Concerns about pharmacy trend are nothing new, but they’ve gotten worse.”

- Ellen Kelsay, president and CEO of BGH

Employer Takeaway

This BGH annual survey reveals that employers will likely continue to struggle with health care costs. Employers should continue to monitor market trends for health care cost increases. Rising health care costs are unavoidable, but cost-savings strategies may allow some employers to mitigate this impact.

Contact us for more health care resources.