

HEALTHCARE TRENDS

Understanding The 2027 Group Medical Landscape

A Client Guide to Market Trends, Carrier Dynamics, and Your Renewal

Healthcare costs continue to rise nationally, driven by inflation, clinical workforce shortages, increased utilization of care, and the rapid emergence of new treatments, therapies, and technology. These pressures are reshaping how employers plan for benefits — and why the right guidance matters more than ever.

BBSI is here to help you navigate this evolving landscape with confidence. Our teams work alongside you to develop smart contribution strategies and deliver the insights you need to drive a competitive benefits offering — for your business, your employees, and their families.



KEY DRIVERS OF RISING COSTS



17-YEAR HIGH MEDICAL TREND

The underlying cost of care is increasing faster than it has in nearly two decades.



PRESCRIPTION DRUG COSTS OUTPACING MEDICAL TREND

Specialty medications and GLP-1 drugs continue to be major pharmacy cost drivers.



CHRONIC CONDITION COSTS

Managing conditions such as diabetes, heart disease, and obesity continues to become more expensive.



WHAT THIS MEANS FOR EMPLOYERS

Proposed 2027 small-group rate filings are averaging approximately

15%
in many markets.



WHY THIS MATTERS

A national trend figure shows where the market is heading — it does not determine your renewal.

BBSI renewals remain client specific.

HOW BBSI HELPS YOU MANAGE RISING COSTS



CLIENT-SPECIFIC RENEWAL REVIEW

We analyze your plan utilization and claims experience to support smart renewal strategies.



CARRIER PARTNERSHIP

Our strong carrier relationships help us advocate for competitive options on your behalf.



EMPLOYEE EDUCATION

We equip your team with resources to make informed healthcare decisions and reduce unnecessary costs.

UNDERSTANDING TREND VS. RENEWAL

TREND	RENEWAL
 Trend forecasts per-member claim cost increases based on medical inflation, provider price hikes, and new treatments or technology.	 Trend estimates and your actual renewal are not always equal — renewal rates may also adjust for your plan's own claims, regional differences, and plan design changes.
 Trend is a forecast of the future.	 Renewal is your actual price.

- Even with a 9% national medical cost trend, your renewal could move higher or lower depending on your plan's own experience — especially for smaller groups, where results are naturally less predictable.
- Renewals reflect regional, regulatory, and carrier-specific differences, not just the national headline number.



Insurance Carrier Trends

Insurance carriers set pricing based on healthcare patterns and state mandates.



How BBSI's Approach Differs

BBSI takes a client-specific approach. We factor in your claims history, high-cost risk, and utilization patterns such as preventive care and chronic condition management.

Pharmacy and GLP-1 Medications

Prescription drug trend is projected above medical trend again in 2027. Few decisions move pharmacy costs more than how a plan covers GLP-1 medications* — a drug class (including Ozempic®, Wegovy®, and Mounjaro®) originally for diabetes, now widely prescribed for weight loss.

Specialty drugs, a separate high-cost category for conditions like cancer and rheumatoid arthritis, are also a growing share of spend.



What good pharmacy plan design looks like:



Eligibility & Prior Authorization

Clinical criteria help ensure medications are used appropriately and cost is managed responsibly.



Lifestyle Support & Duration Management

Pairing medication with lifestyle support and setting appropriate treatment durations helps improve outcomes and long-term value.



Biosimilars

When available, biosimilars can offer more affordable options while maintaining safety and effectiveness.



5 Ways To Get The Most From Your Health Plan

Small daily choices can lead to better health—and bigger savings. Here are five ways to make your health plan work harder for you.



1

USE PREVENTIVE CARE

Action: Schedule annual checkups, vaccinations, and age-appropriate screenings.

Why it matters: Preventive care helps catch problems early—when they're easier and less expensive to treat.



2

CHOOSE THE RIGHT CARE SETTING

Action: Use in-network providers and the appropriate setting for your needs—virtual care, urgent care, or your primary care doctor.

Why it matters: The right care, in the right place, can save you time and money.



3

MANAGE ONGOING CONDITIONS

Action: Follow your treatment plan, take medications as prescribed, and keep regular check-ins.

Why it matters: Consistent care helps prevent complications and avoid costly emergencies.

The value of preventive care, by the numbers:

- 90% of \$5.3 trillion in annual U.S. healthcare spending is for people with chronic and mental health conditions.
- 34% decline in cancer death rates since 1991, translating to an estimated 4.8 million deaths avoided.
- 70% five-year survival rate for patients diagnosed 2015–2021 compared with about 50% in the mid-1970s.

Sources: CDC, "Fast Facts: Health and Economic Costs of Chronic Conditions" (2026); American Cancer Society, "Cancer Statistics, 2026."

4 BUILD HEALTHY DAILY HABITS

Small, consistent choices today lead to better health and lower costs tomorrow.



ACTIONS

- Move more — aim for at least 150 minutes of activity each week.
- Eat smart — focus on whole foods, lean protein, fruits, vegetables and water.
- Sleep well — prioritize 7-9 hours of rest each night.
- Manage stress — use healthy outlets like breathing, stretching or taking short breaks.

WHY IT MATTERS: Healthy habits can improve energy, strengthen immunity and reduce your risk for chronic conditions.

5 MAKE THE MOST OF YOUR BENEFITS

Your plan is designed to support your health and your financial well-being.



ACTIONS

- Get preventive care — schedule annual physicals, screenings and vaccines.
- Use in-network providers — it helps you save.
- Understand your plan — know your benefits, copays and coverage.
- Ask questions — don't hesitate to learn how your plan works.

WHY IT MATTERS: Using your benefits wisely helps you get the right care at the right time — and avoid unexpected costs.

BE HEALTHY - BE PREVENTIVE - BE INFORMED - USE THE RIGHT CARE - FOLLOW YOUR CARE PLAN

Source Documentation

KFF — [“How Much and Why Premiums Are Going Up for Small Businesses in 2027”](#) (Aug. 6, 2026).

Median proposed small-group premium increase of 14%, based on 295 insurer rate filings across all 50 states and D.C.

PwC Health Research Institute — [“Medical Cost Trend: Behind the Numbers 2027”](#) (June 11, 2026).

2027 group medical cost trend projected at 9%, the highest in 17 years: based on interviews with actuaries at 27 U.S. health plans covering 103M+ members.

Segal — [“2027 Health Plan Cost Trend Survey”](#) (July 23, 2026, 30th annual survey).

Rx trend projected at 11.5%, specialty drug trend at 11.9%; GLP-1 experience data from Segal's SHAPE claims database.



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