

EXECUTIVE SUMMARY

Employer Health and Benefits Strategy Survey

2025 Edition





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Introduction

The Inaugural Brown & Brown Employer Health and Benefits Strategy Survey, 2025, gathered responses from 760 US employers with at least 200+ employees across a broad spectrum of industries and national regions. Analyzing the results found that employers are trying to strike the right balance between the following three key topics, which represent both strategic opportunities and challenges for their health plan offerings and how they tie into larger business objectives (Figure 1):

1

Attracting and Retaining Top Talent

When asked about strategic organizational priorities related to offering health and benefits plans, most employers ranked attracting and retaining talent as #1.

2

Cost Control

Employers ranked controlling cost as the most critical focus for their 2025 health and well-being plans and a top three priority overall.

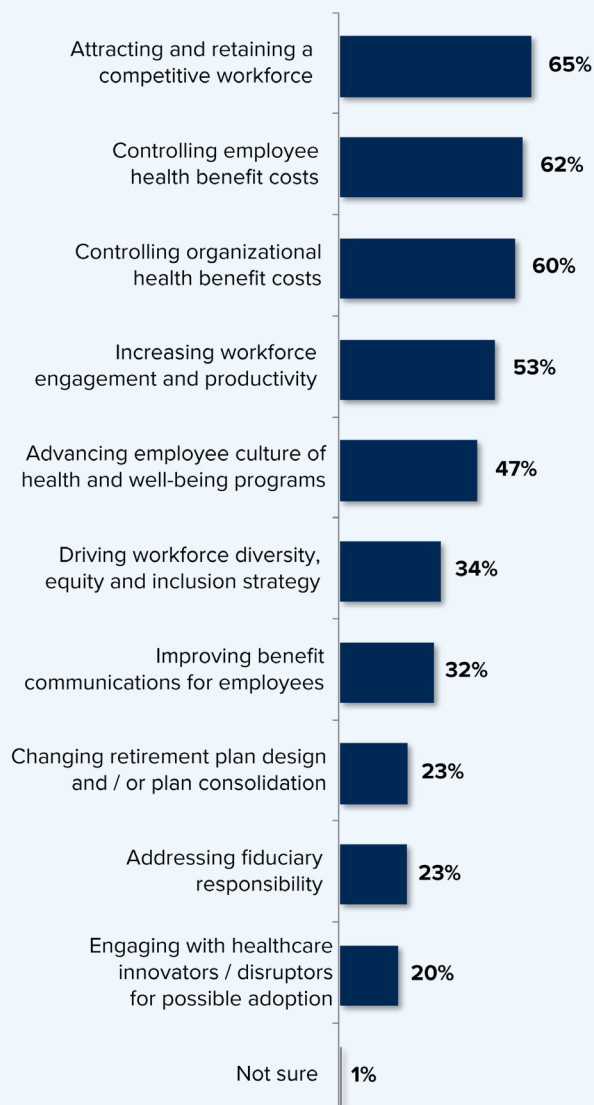
3

Meeting Diverse Employee Needs

Employers are offering several programs or are actively considering investing in a number of different services to fill in the gaps for an ever-changing and evolving workforce.

Figure 1

Top Employer Strategic Priorities



Base: Total decision makers (n=760)
Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2025

“

Medical costs are rising, and we need to control the budget while providing attractive benefits. This balance is really difficult to find.

- VP of HR, Retail Industry, West Region



Survey Findings

1

Attracting and Retaining Top Talent

To attract and retain top talent, employers are making several investments to improve their benefits package.

As shown in **Figure 2**, Employers are focused on expanding mental health provider access and improving behavioral health care quality. Many are considering Centers of Excellence to enhance mental health support (41%). Other key areas of employer focus and investment include fertility coverage, paid parental leave and disability coverage.

“

The challenge is that employees' mental health issues have increased significantly and have become a welfare need that cannot be ignored.

- SVP of Global Benefits, Food Services Industry, Northeast Region

Figure 2

What Should Employers Know?

In order to attract and retain top talent, employers are making a number of investments to improve their benefits package.



Mental Health

- 44% of employers are looking to increase provider access and 41% aim to improve provider quality for behavioral health
- 41% of employers are considering adding Centers of Excellence to achieve these goals
- Outside of employer and employee cost, employers rank employee well-being as their next highest priority in their health and well-being initiatives with 64% of employers responding to this being a high priority



Fertility Coverage

- 42% of employers currently partner or will partner with a family fertility vendor in 2025
- 20% of employers are considering a fertility vendor partnership for 2026
- 42% of employers currently cover basic fertility coverage (testing, treatment of underlying conditions, drug therapy)
- Almost a quarter of employers currently have comprehensive fertility coverage (IVF, drug therapy, elective egg freezing and no lifetime maximums)



Paid Parental Leave

- 49% of employers currently offer a paid parental leave program above and beyond statutory or state requirements; 23% will offer this in 2025



Leave Coverage

- 54% of employers will implement enhancements* in 2025
- 35% of employers are considering enhancements* in 2026

**Enhancements may include optimizing benefit levels, streamlining administration, and improving coordination to enhance the employee experience, ensure compliance, and drive operational efficiency.*

Base: Total decision makers (n=760)

Disability Coverage: Only asked disability question of employers who are considering expanding their coverage to non benefits eligible employees (n=420)

Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2025

Controlling both employer and employee costs continues to be a top priority for employers in 2025 and beyond. To navigate and mitigate the financial challenges of rising costs, employers are actively exploring a range of initiatives for 2025, 2026 and 2027 (**Figure 3**).

The leading cost control initiative for employers is conducting medical and/or pharmacy RFPs (81%). Another top priority is conducting audits (75%) across medical, pharmacy and clinical programs as a best practice to uphold fiduciary responsibilities and ensure the integrity and compliance of their health plans.

The momentum for introducing virtual and digital health solutions is another popular strategy (70%), as they increasingly become a fundamental component of employee health benefits. Offering primary care via a virtual offering is also becoming a critical way of addressing access challenges across the country, offering a way to attract talent and level the primary care playing field.

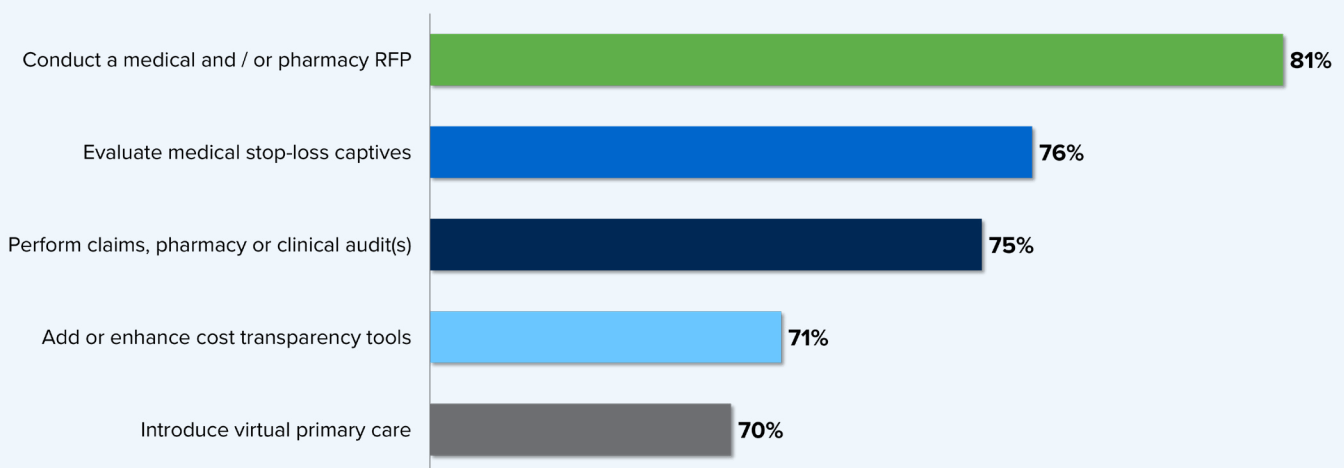
Healthcare costs continue to escalate, placing a substantial burden on both employers and employees.

- Director of HR, Manufacturing Industry, Midwest Region

Figure 3

Current and Future Cost Saving Initiatives

Controlling both employer and employee costs continues to be a top priority for employers in 2025 and beyond. To navigate and mitigate the financial challenges of rising costs, employers are actively exploring a range of initiatives for 2025, 2026 and 2027.



Base: Total decision makers (n=760)

Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2025

A Closer Look at Pharmacy Benefits

Employers voiced concerns about the pharmacy ecosystem, citing challenges such as regulatory and legislative uncertainty, lack of pricing transparency, rising costs and affordability for employers and employees. Their top concern (65%) is the pipeline growth of high-cost drugs (**Figure 4**).

In addressing these concerns, a slight majority of respondents (54%) have or will implement more restrictive formularies, while the most popular approach

remains a standard formulary that balances drug access and rebate optimization.

GLP-1s have become very popular across the US. Reflecting this trend, more than two-thirds of employers (70%) cover GLP-1s for weight loss. However, given the desire to balance access with cost management, most of those employers (78%) also have restrictions in place. These range from standard formulary restrictions to site-of-care restrictions. Looking ahead, a full 85% of employers are considering additional restrictions for 2026.

Figure 4

Pharmacy Benefits - Challenges and Changes

Plan Changes Considered

- 54% of employers have or will implement a more restrictive formulary (most popular option is the standard formulary that balances drug access and rebates with 51% of respondents choosing the standard formulary)
- Implement programs that work with cash-pay solutions like GoodRx
- Modest increases to employee cost sharing (\$5-\$10)
- Adopting a more restrictive utilization management program
- Biosimilars seem to be most under consideration for the future

GLP-1s For Weight Loss

- 70% of employers cover GLP-1s for weight loss
- For those who cover GLP-1s, 78% currently have restrictions ranging from standard formulary restrictions to site-of-care restrictions
- 85% of employers are considering additional restrictions for 2026



Base: Total decision makers (n=760)

For GLP-1 restriction questions, only those who confirmed that they currently cover GLP-1s for weight loss were counted in the results (n=532)

Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2025

3

Meeting Diverse Employee Needs

Recognizing the evolving needs of a diverse workforce, employers are actively offering, or planning to offer, a variety of lifestyle support services and programs in 2025, either through specialized vendors or EAPs (Figure 5). Of those, family care services rank highest among programs currently or likely to be offered by employers. This is responsive to the needs of the “sandwich generation” (those who care for both children and parents).

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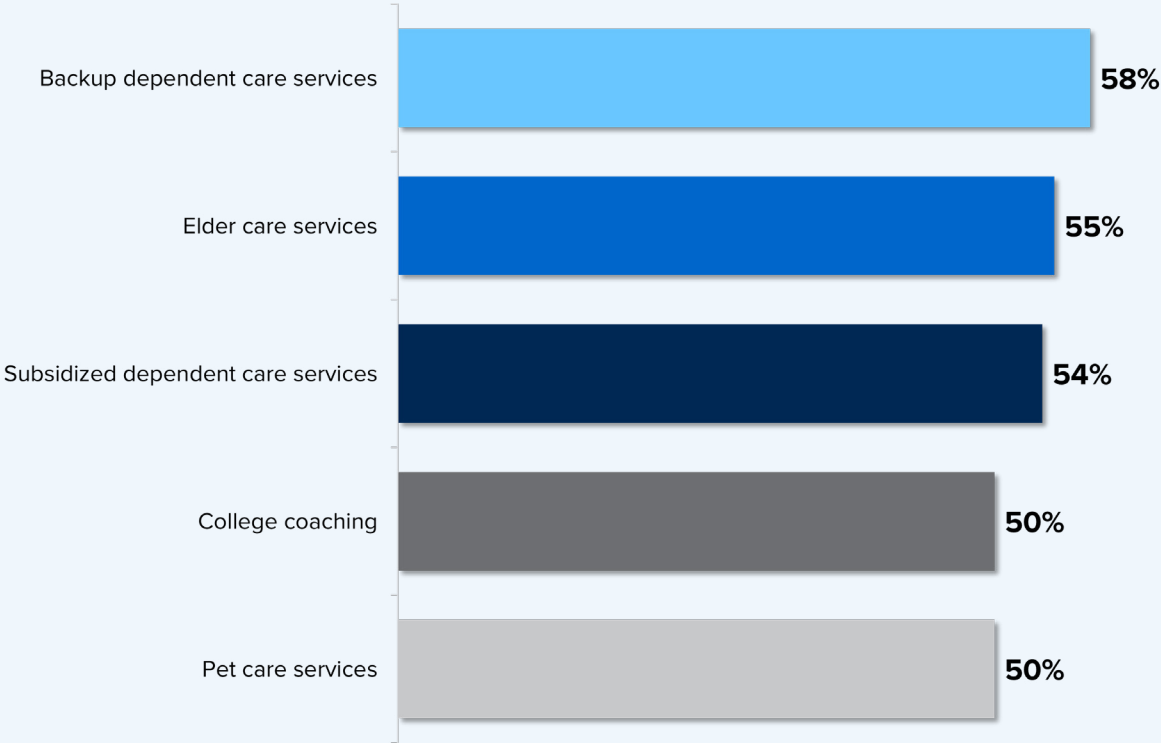
The future of work is about flexibility, and we will focus on balancing employee preferences with business needs to drive growth.

- Chief HR Officer, Higher Education Industry, South Region

Figure 5

Current and Future Employee Lifestyle Support Services

Recognizing the evolving needs of a diverse workforce, employers are actively offering, or planning to offer, the following comprehensive services and programs in 2025, either through specialized vendors or EAPs.



Base: Total decision makers (n=760)
Source: Brown & Brown Employer Health and Benefits Strategy Survey, 2025



How Brown & Brown Can Help

Finding the right balance of strategies to win the talent war, bend the healthcare cost curve and meet the needs of an ever-evolving workforce is no easy task. Brown & Brown is here to 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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About the Brown & Brown Employer Health and Benefits Strategy Survey

The Brown & Brown Employer Health and Benefits Strategy Survey, 2025, gathered responses from 760 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 October 24 through December 6, 2024. The margin of error is +/- 4%



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