Grokker INNOVATION LABS

THE NEW ECONOMICS OF BENEFITS:

Defensive strategies of the 85% under pressure

2026-27 HEALTHCARE BENEFITS STRATEGY SURVEY: FINANCIAL STRATEGY & ROI

Grokker INNOVATION LABS

How are today's benefits leaders thinking about costs, ROI, and AI?

In the spring of 2026, Grokker Innovation Labs issued the 2026-2027 Healthcare Benefits Strategy Survey: Financial Strategy & ROI. The goal was to better understand how rising healthcare cost pressures are impacting Total Rewards leaders and benefits strategies. Critically, the insights also help us identify opportunities for emerging AI health technology to help make HR teams' jobs easier while improving the employee benefits experience.

While the survey shows that benefits leaders are under pressure to reduce spend, the bigger challenge is proving what works, identifying waste, and effectively guiding employees through their benefits ecosystem before costs escalate. Here are the key findings from the survey.

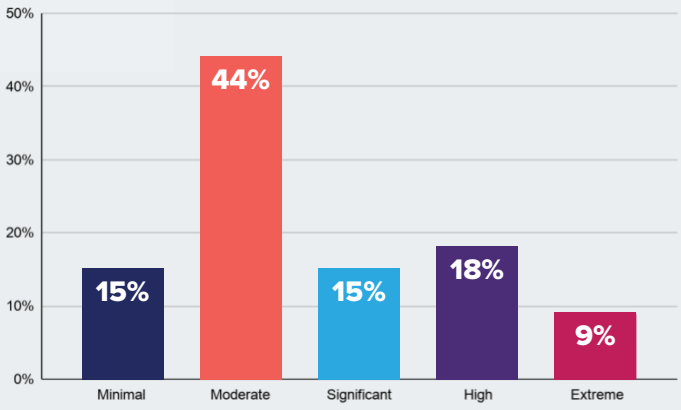
1 The market is under pressure, but not in panic mode

Rising healthcare costs have dominated the headlines for years, recently reaching a fever pitch. According to PwC, if left unchecked, healthcare spending will grow to $9 trillion annually by 2035.

Self-funded employers have been pulling a range of levers to control budgets without overburdening employees. But as costs keep going up, despite their best efforts, the need to understand what's driving spend—and figure out what to do about it—is keeping C-suite leaders up at night.

That's why we opened our survey by asking...

Q1: On a scale of 1 to 5, how much pressure is your executive leadership (CFO/CEO) applying to reduce total benefit spend for the next cycle?



Minimal: Business as usual; standard inflationary increases are expected and budgeted. 15%

Moderate: General guidance to "tighten the belt" and optimize vendor performance. 44%

Significant: Requirement to flat-line spend or offset increases through plan design changes. 15%

High: Strong pressure to consolidate point solutions and eliminate "PEPM bloat." 18%

Extreme: Explicit mandate to find "disruptive" savings (e.g., unbundling, RBP, or AI-Native automation). 9%

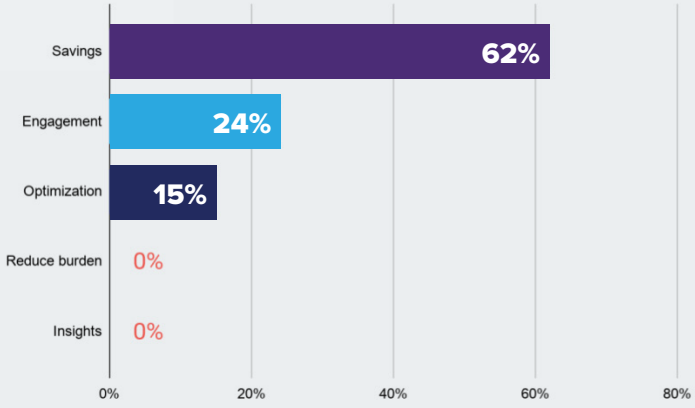
With only 15 percent of benefits leaders operating “business as usual,” most respondents feel pressured by executive leadership to reduce benefits spend. A full 44 percent report moderate pressure and slightly more than 40 percent are under significant to extreme pressure. The dominant posture suggested here, which will be supported through the rest of the survey results, is “optimize and prove,” not slash-and-burn. In other words, leaders believe there are still levers to pull—albeit carefully—before their organizations have to consider drastic, catastrophic measures.

2 Employers need proof—not promises

Perpetually rising healthcare benefits costs have finally buried VOI. “Soft metrics” like employee participation rates are insufficient for a C-suite that demands proof that every benefit dollar is providing hard, actuarial value.

While leaders work with their benefits consultants and vendors to build their new ROI muscles—as we discuss in 5 Signals That Employer Healthcare Is Entering a New Era—we’re curious to learn what actions they’re taking in the next year to hedge towards the metrics they need to show.

Q2: What is your top priority for improving benefits ROI in the next 12 months?



Proving measurable cost savings (claims reduction, actuarial impact) - 62%

Increasing employee engagement and utilization - 24%

Consolidating or optimizing vendors/point solutions - 15%

Reducing administrative burden on HR - 0%

Gaining real-time insights into employee needs - 0%

The survey supports the trend that employers are entering a new phase where the primary question is no longer “Are employees using it?” but “Can we prove it is reducing costs and improving outcomes?”

Nearly two-thirds (62 percent) of survey respondents prioritize the most straightforward route-to-ROI: proving measurable cost-savings across their benefits programs. Another quarter (24 percent) indicates that increasing employee engagement and utilization remains the top priority, suggesting a doubling-down on the harder-to-prove VOI “story” that employee benefits behaviors ultimately lead to ROI by way of better outcomes.

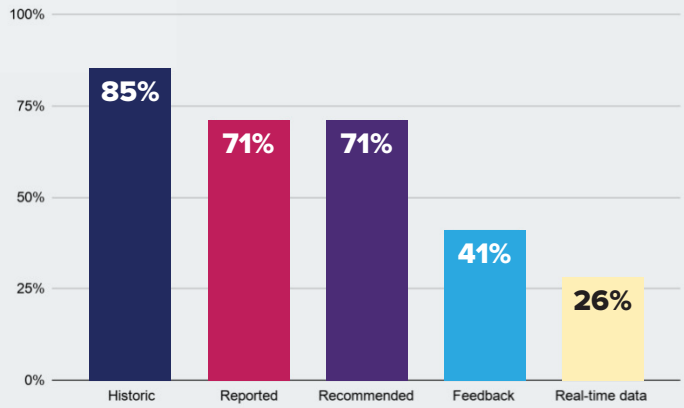
Just 15 percent of respondents said they’re looking for ROI via consolidating or optimizing vendors/point solutions, which likely reflects skepticism toward vendor-reported savings—a reality that vendors are working hard to overcome with their own ROI models.

Not a single respondent (0 percent) prioritized reducing administrative burden or gaining real-time employee insights. These zero-scores reveal that under intense pressure to justify budgets, HR teams are willing to absorb administrative pain and sacrifice data insights just to prove immediate financial survival.

3 Engagement still matters, but only if tied to savings

Despite the clear directive for hard metrics, traditional measures are still relevant to HR leaders because health benefits are ultimately a complex human investment, and the value of supporting lives cannot always be reduced to an ROI calculation. When it comes to the benefits data leaders use to inform their strategies, then, what's most important to them—and what's required by their CFO for budget sign-off?

Q3: What type of data do you rely on to make benefits decisions today? (Select all that apply.)



Historical claims data (12–18 months old) - 85%

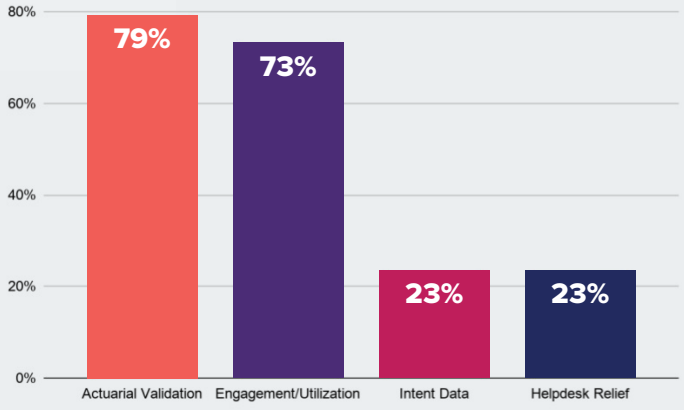
Vendor-reported engagement/utilization data - 71%

Broker/consultant recommendations - 71%

Employee surveys and feedback - 41%

Real-time/predictive data (e.g., intent, AI-driven insights) - 26%

Q5: When defending your benefits budget to the CFO, how would you rank the importance of the following ROI data points? (1 = Most important, 4 = Least important)



Actuarial Validation: Proving that users of a specific solution have lower total medical/pharmacy claims costs than non-users. **#1 Priority: 79% Top 2 Box Score, Weighted Score 3.26**

Engagement/Utilization: Total registrations and app logins. **#2 Priority: 73% Top 2 Box Score, Weighted Score 3.09**

Intent Data: Seeing what employees are searching for before it turns into a high-cost claim. **#3 Priority: 23% Top 2 Box Score, Weighted Score 1.94**

Helpdesk Relief: Reduction in manual HR tickets and inquiry volume. **#4 Priority: 23% Top 2 Box Score, Weighted Score 1.71**

It's no wonder our survey responses show that the hard and soft(er) metrics continue to coexist, particularly in the realm of strategic planning. HR leaders depend on a range of data to make benefit decisions—some more objective than others—proving that there's value to every insight. That said, the data shared with CFOs during budget conversations is, by necessity, positioned as more actuarially defensible. Let's take a closer look.

Historical claims data, while problematic due to the inherent lag, indicate population health drivers and point leaders toward program areas to optimize, earning them the most commonly used data (85 percent of respondents) to inform strategy decisions. Data points that provide actuarial validation, like those one can derive from claims data, are the number one priority for building the benefits business case with CFOs.

While the benefits industry is clearly shifting from soft metrics to financial accountability, engagement and utilization metrics still matter—as much as broker/consultant recommendations, incidentally—especially when it comes to assessing the performance and value of vendor solutions. Roughly seven out of 10 respondents depend on these metrics to inform strategy and defend benefits budget to the CFO. The elephant-in-the-room nuance here is that because financial leaders do not trust "gross savings" or vendor-reported ROI, the softer metrics need to show net impact, bringing us back to the central narrative that proving benefits spend ROI is a complicated, multivariate, ongoing challenge.

Notably, on the flip side of lagging data, over a quarter (26 percent) of leaders use real-time or predictive data; predictive intent data, as a mechanism to prove value to the CFO, ranked as the third priority. We anticipate that use of these data will increase for both strategy creation and budget defense as AI-powered analytics become more widely adopted.

Forty-one percent of benefits leaders are turning to employee surveys and feedback to help them assess their workforces' expectations and programs' competitive fit—another big nod to the human element of benefits. And finally, metrics that prove HR helpdesk relief ranked in the bottom position of the CFO question, which echoes the low prioritization revealed in survey question two.

Traditional navigation is showing its limits

Year after year, self-funded employers have been fighting an uphill battle against rising healthcare and benefits costs. Despite small wins along the way, benefits leaders are increasingly open to disrupting what's "not working" within the status quo of the benefits partner ecosystem and how it shapes the employee benefits experience. We asked survey respondents directly what needs to be fixed.

Q7: Beyond the direct medical trend, what is the single biggest operational or financial friction point that you feel is currently unaddressed by your existing benefits partners?

Respondents provided a wide range of answers, bucketed into these themes:

Fragmentation and a lack of actionable insights:

- "Vendor management fatigue"
- "Too many options [and] not enough communication / no 1 hub platform"
- "[The] amount of time spent connecting information across multiple vendors to get a complete picture"

Cynicism about savings reports they receive from incumbent partners:

- "[Not helping us understand] gross savings vs. net savings"
- "Their effectiveness at increasing employee engagement and proper utilization"
- "Participant understanding and engagement in the resources that could improve costs (EE and ER)"

Specific friction points with Pharmacy Benefit Managers (PBMs) and Specialty/Cancer Care (despite asking them to look past the general medical trend):

- "Financial models that benefit the PBM and not the client"
- "[Managing] specialty pharmacy related to cancer"
- "OON [out-of-network] claims and GLP-1s"

Solutions' lack of day-to-day data "pipes" that create massive administrative rework for HR teams:

- "Errors in payroll, billing, and files"
- "Things don't land with the right team the first time"
- "Being able to modernize the benefits enrollment flow in our benefits portal"

In sum, several mentions of "low engagement," failure of tools to prompt "preventive actions," and poor "participant navigation" suggest HR is realizing that buying a benefit is pointless if employees don't know it exists or can't figure out how to use it.

Q8: If you could automate one high-touch interaction between your employees and their benefits, which one would provide the most immediate relief to your team's workload?

Responses uncovered a wealth of insights, including:

Demand for an automated, intelligent filter to handle self-serviceable questions:

- "Basic benefits questions (like deductions, eligibility, and plan details)"
- "Benefit related questions that can be found easily on certain channels"
- "An AI-powered integrated search engine"

Frustration that employees don't know what benefits the company actually offers until they are actively in a moment of crisis:

- "[The friction of] finding right care in the right moment"
- "Education on what is available"
- "The need to constantly have to find ways to communicate and market to employees"

Escalations when standard customer service loops fail

- "Claims resolution"
- "Escalations and complaints that come to the employer as a first level"
- "A way to get concierge support when the model (vendor customer service) doesn't work as expected"

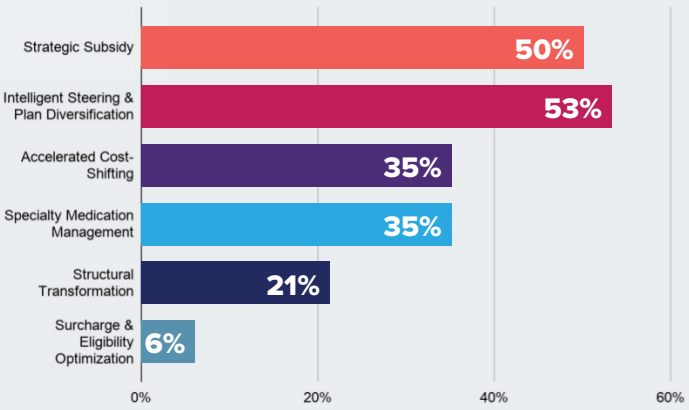
These sentiments support a shift from traditional models of portal-based navigation/access to intelligent orchestration and "agent everywhere" guidance that intercepts an employee at the point of care, rather than relying on a static PDF guide buried on an intranet.

5 Vendor fatigue is a major undercurrent

It's widely recognized that employers are "drowning" in partner solutions. While it's a symptom of a complex, high-stakes ecosystem, vendor fatigue is real, and the data bears this out.

In an effort to understand what benefits leaders are doing to support organizational financial strategy—and how vendor partnerships factor into the equation—our survey asked respondents to share how they plan to control healthcare and related administration costs across a range of levers.

Q4: In response to the rising healthcare cost trend, please rank the following strategic levers in order of their importance to your organization's financial strategy (1 = Top Priority, 6 = Lowest Priority).



Strategic Subsidy: We are continuing to absorb a significant portion of the cost increase to prioritize talent retention and affordability. **#1 Priority: 50% Top 2 Box Score, Weighted Score 4.50**

Intelligent Steering & Plan Diversification: We are introducing alternative plan designs (e.g., Variable Copay, RBP, or Narrow Networks) to incentivize high-value provider choices without across-the-board hikes. **#2 Priority: 53% Top 2 Box Score (ranked 1 or 2), Weighted Score 4.24**

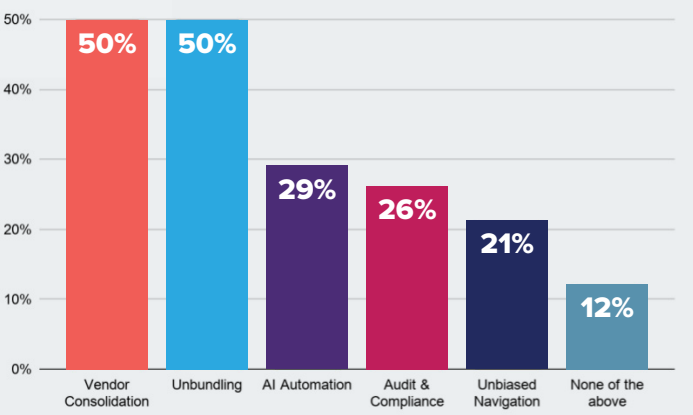
Accelerated Cost-Shifting: We are increasing employee cost-sharing (deductibles, premiums, or OOP maximums) to maintain our current budget margins. **#3 Priority: 35% Top 2 Box Score (ranked 1 or 2), Weighted Score 3.59**

Specialty Medication Management: Taking action (e.g., clinical gatekeeping, indication-based access) to better manage specialty medications (e.g., oncology, gene therapies, and GLP-1s). **#4 Priority: 35% Top 2 Box Score (ranked 1 or 2), Weighted Score 3.47**

Structural Transformation: We are actively moving away from traditional carrier/PBM models toward transparent, unbundled, or AI-managed ecosystems. **#5 Priority: 21% Top 2 Box Score (ranked 1 or 2), Weighted Score 2.91**

Surcharge & Eligibility Optimization: We are leaning into non-medical levers, such as increasing spousal surcharges, tobacco affidavits, or stricter dependent eligibility audits. **#6 Priority: 6% Top 2 Box Score (ranked 1 or 2), Weighted Score 2.29**

Q6: Which levers are you prioritizing to reduce 'Administrative Waste' in 2026/2027? (Select all that apply.)



Vendor Consolidation: Cutting underutilized point solutions to reduce total PEPM spend. - 50%

Unbundling: Moving away from "Big Carrier" bundles to find cheaper, niche providers for Pharmacy (PBM) or Navigation. - 50%

AI Automation: Implementing AI to deflect HR tickets and reduce manual administration. - 29%

Audit & Compliance: Running stricter dependent eligibility audits to remove non-qualifying members from the plan. - 26%

Unbiased Navigation: Moving away from vendor-biased 'front doors' toward an independent orchestrator that recommends the lowest-acuity, most cost-effective intervention regardless of the vendor. - 21%

None of the above. - 12%

The responses indicate that benefits leaders still view their health program primarily as a talent acquisition and retention tool rather than just a cost center to be trimmed, while challenging us to consider the myriad ways to make employee benefits more manageable, defensible, and part of an organizational "success story."

The lever of "intelligent steering" has the highest number of #1 rankings 53 percent in question four. This strategy focuses on fixing the core plan architecture itself and changing how employees use their benefits. Employers want navigation tools, smart steering, and altered copay structures that wrap around their existing network to guide employees natively, rather than introducing more specialized vendors that clutter the benefit ecosystem.

The survey results validate vendor fatigue and introduce a paradox: Question six reveals that 50 percent of benefits leaders are prioritizing vendor consolidation, and 50 percent are prioritizing unbundling. This tension suggests leaders want fewer ineffective solutions, but also more transparency than bundled carriers/PBMs provide. What's more, question four's lever of structural transformation is stuck at the bottom (#5 out of 6), with only 21 percent of employers ranking it as a top 2 priority, implying they are resisting major structural overhauls because they do not want to manage more individual vendors.

How do HR teams break this deadlock? Nearly 30 percent of leaders are looking to AI automation to reduce manual administration. Instead of "biased navigation," 21 percent say they need an independent, automated orchestrator that can sit on top of their existing stack, deflect basic support tickets, and intelligently guide employees to the right benefit at the right time.

Ultimately, the cure for vendor fatigue isn't just cutting programs. It's less about cutting programs and more about gaining visibility and operational command over the entire benefits ecosystem: leveraging the right technology to help make sense of the data, supporting HR teams with actionable insights, and providing personalized benefits and care pathway guidance. Ultimately, it's about optimizing the benefits employers are already paying for.

Grokker

Grokker is a HIPAA-compliant AI health tech solution that integrates award-winning, expert-led wellbeing content with agentic intelligence. It helps employers better understand and use their benefits, reduces healthcare costs, and transforms wasted benefits spend into a healthier, more productive workforce.

Global organizations like Pfizer, MGM Resorts International, Target, and Domino's trust Grokker to support the diverse wellbeing needs of their teams in over 179 countries and 21 localized languages. Grokker is dedicated to making holistic health and wellbeing equitable, engaging, and accessible for all.

Platform Highlights:

- 4,000+ expert-led videos covering fitness, nutrition, mental health, sleep, and financial wellbeing
- 2X higher engagement compared to alternative wellbeing providers
- 82% active platform engagement
- 30-day implementation with turnkey content and dedicated success partners

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